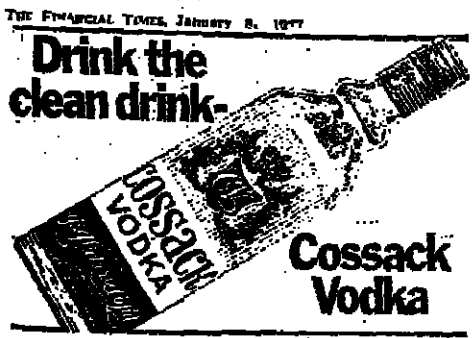
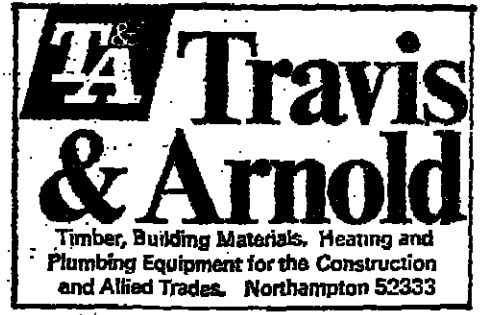


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## NEWS SUMMARY

### GENERAL

#### Nyerere gives guerilla pledge

Mr. Ivor Richard, Rhodesia foreign secretary, yesterday won the assurance of President Nyerere of Tanzania that the guerilla war in Rhodesia would end when majority Government had been formed there.

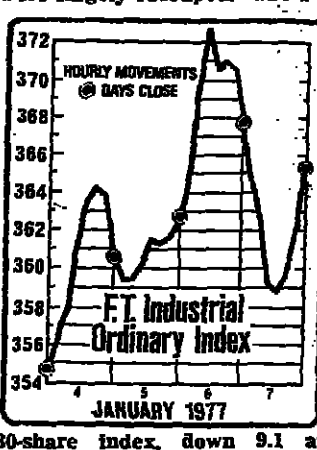
President Nyerere emphasised that such a Government must represent "a true transfer of power to the people of Zimbabwe," while welcoming Britain's decision to take part in an interim administration.

The assurance given by President Nyerere appears to go a long way towards meeting conditions understood to have been set by Mr. John Vorster, the South African Prime Minister, before he would be prepared to support the British proposals. Page 13

### BUSINESS

#### Equities gain 10.6 in week of activity

EQUITIES were lively with official markings, at 7.884, the highest since March 3, 1976. Early losses among the leaders were largely recouped. The FT



#### Call for trial of Mao's widow

Lhasa radio, Tibet, yesterday broadcast a call to bring to trial Chairman Mao's widow and her three colleagues who were arrested in October for attempting to usurp power. The case comes as pressure appears to be building up in China for action against the gang of four.

#### Carter responds to summit plan

Mr. Jimmy Carter, U.S. President-elect, has written to President Giscard d'Estaing accepting in principle the French President's proposal for a summit of Western industrial nations. The meeting may take place in Britain in June. More Carter jobs, Page 18

#### Fraud godfather jailed 7 years

Property dealer Geoffrey Leonard Allen, 58, known as The Godfather, was jailed for seven years at Norwich yesterday for trying to defraud the Royal Insurance Company and the County Fire Office of a total of more than £300,000. Four men accused with him were also found guilty and received sentences ranging from four years jail to a suspended 12-month term after an 82-day trial costing an estimated £750,000.

#### Flights disrupted

Flights from London's Heathrow airport were disrupted yesterday when 800 baggage loaders walked out over a pay claim. No inter-continental long haul flights will leave the airport over the week-end.

#### Czech arrests

Cracking down on a new civil rights movement, the Czechoslovak authorities arrested four of the 287 signatories of a manifesto called Charter 77. Page 11

#### Briefly . . .

Members of the National Union of Journalists working at BBC local radio stations are being told to hold short, sharp stoppages from Monday in support of a three-week-old dispute at the Royal Shakespeare Company. Page 10

#### One man injured and 12 patients evacuated after explosion yesterday at the Royal Edinburgh Hospital.

British Rail is to begin changing track at London's King's Cross station this month in readiness for 125 mph services due later in the year.

#### The National Union of Students is to investigate the alleged activities of KGB, CIA, BOSS and Iranian SAVAC agents in British universities.

Sir John Gielgud has been elected President of the Royal Academy of Dramatic Art in succession to the late Dame Edith Evans.

#### WEST GERMANY'S Gross National Product rose 5.6 per cent in real terms last year, in line with recent Ministerial predictions, according to preliminary Federal Statistical Office figures. Page 18

MINERS' negotiations with the Coal Board on early retirement have led to a similar claim on behalf of the industry's 20,000 supervisors. Page 13

WEST GERMANY'S Gross National Product rose 5.6 per cent in real terms last year, in line with recent Ministerial predictions, according to preliminary Federal Statistical Office figures. Page 18

PIRELLI SPA has increased its capital by £50m. (about £35m.) through a rights issue. Page 18

IMPERIAL KNIFE has raised its offer for Richards of Sheffield to 30p a share in cash. Page 15

### GRIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Woolley Hughes	105	+ 9
Shell Transport	403	+ 6
Shell U.K.	132	+ 20
Bougainville	125	+ 10
CRA	290	+ 15
Hammersley	265	+ 10
Minorec	188	+ 5
Palabora	600	+ 40

RISERS:

Treas. 10% 1990	£22 + 12
Treas. 15% 1996	£101 1/2 + 3 1/2
War Loan 3 1/2%	£23 + 10
Allen Harvey	£80 + 10
Carroll (P. J.)	120 + 10
Dunford & Elliott	46 + 4
Dunford & Elliott	26pm + 16 1/2
Dunlop	51 + 5
Gardner (L)	140 + 13
Gold Field Prop.	50 + 2
Hunting Assoc.	52 + 6
Lucas Inds.	412 + 6
Limfod	215 + 3
Perry (H.)	65 + 4
Photax (London)	24 + 4
Richards (Sheffield)	29 + 3
Swan Hunter	46 + 4 1/2
Westrick Products	55 + 4

FALLS:

British Home Stores	148	- 3
De La Rue	242	- 10
GEK	168	- 12
Harrisons & Crossfield	412	- 6
Lucas Inds.	412	- 6
Metal Box	250	- 6
Rank Org.	145	- 5
Speer & Jackson	120	- 8
Thomson	385	- 5
Thorn Elect. A	212	- 10
Thornburn Engrs.	345	- 10

## Nuclear company may be given new export role

BY DAVID FISHLOCK, SCIENCE EDITOR

A scheme to turn the Nuclear Power Company into a turnkey engineering contractor—with all the resources needed to compete in overseas, mainly Middle East, markets for power plant—will be put to the Cabinet when it discusses the recent study of the U.K. power plant industry by the Central Policy Review Staff (Think Tank).

The need for a new organisation and possibly new financial arrangements to enable the U.K. to win a larger share of very large overseas contracts has been under discussion in Whitehall for some months.

The plan to use the Nuclear Power Company for this purpose appears to have support within the Department of Energy and from GEC, which has a supervisory management contract for the company.

The Think Tank concluded that one major change needed in the U.K. power plant manufacturing industry—if it were to remain viable through a very lean period for domestic orders—would be the capability and willingness to tender for large turnkey projects and the willingness to take the risks involved in such commitments.

The Nuclear Power Company is the operating arm of the National Nuclear Corporation, a Government-inspired amalgam of major power station contractors, in which the Government holds a 50 per cent stake and GEC 30 per cent.

The Think Tank study concluded that about half of all export contracts accessible to U.K. power plant manufacturers, and most of the nuclear contracts, would be awarded on a turnkey basis, in which a prime contractor undertook to engineer and supervise the entire contract.

The wealthier developing countries, notably in the Middle East, are the main export prospects, often for dual-purpose installations producing electricity and fresh water.

With few—if any—new domestic nuclear power stations likely to be ordered during the 1970s, the Nuclear Power Company will be obliged to run down its operations rapidly as the advanced installations producing electricity and fresh water.

The first two of the five advanced gas-cooled reactor stations ordered are expected to be fully operational early this year.

The idea of broadening the scope of the Nuclear Power Company to undertake major overseas power projects was implicit in its original conception in the early 1970s.

In practice, however, any scope for such activities was severely hampered, at least until well into the 1980s, by Britain's choice of the "steamer" reactor, which would first have to be demonstrated at commercial size in Britain.

When the choice was made in 1974 it was still being assumed by the Government that Britain would have a substantial and growing demand for new power stations—large enough to justify launching a new nuclear reactor.

In terms of financial support, the central problem for the Government would not be capital investment—which could probably be found without difficulty by private industry whichever power systems were being marketed—but performance bonds.

Penalties on late delivery being demanded in a highly competitive market are already dauntingly large and, since the Government is the largest shareholder in the National Nuclear Corporation, contracts would have to be guaranteed by the Government.

The Think Tank study pointed out that if the very large sums at risk in turnkey projects were to be covered satisfactorily, new

## Another £600m. tap stock issued

BY MICHAEL BLANDEN

ANOTHER £600m. issue of Government stock was announced by the Bank of England yesterday as the gilt-edged market rose sharply on continued heavy buying.

The new issue was seen as partly designed to maintain official control of the market and inhibit too rapid a fall in short-term interest rates.

The Bank's minimum lending rate, as expected, fell by another 1/2 per cent to 14 per cent.

The indications were that the sharp drop in the average rate on Treasury bills at the weekly tender, which brought it fairly close to the point which would trigger another drop in the official rate next week.

The strength of demand for gilt-edged stocks was demonstrated by the exhaustion in the morning of the official long-dated tap stock, of which £750m. was issued only a week before at 298 per cent.

The absence of a new floating rate stock, which some dealers had expected, and of any replacement for the long tap stock, left the market free to move up sharply.

The old long tap stock closed with a gain of 1/2 point at 101 1/2. Even at the short end of the scale the new issue failed to dampen the enthusiasm completely.

The stock is £500m. of Exchequer 12% per cent 1981. It is being issued at a price of 99.25 per cent to yield 13.25 per cent flat and 13.82 per cent to redemption.

## Some schools lack talent, says Williams

BY MICHAEL DIXON, EDUCATION CORRESPONDENT



SHIRLEY WILLIAMS  
"Education a scapegoat"

LOCAL ACTION to bring schools and industry closer together was urged by Mrs. Shirley Williams, Secretary for Education and Science, yesterday in a speech to the North of England Educational Conference at Madeley, Staffordshire.

Whether teachers wanted it or not, they were involved in a debate about the quality of education, she said. If the worries and concerns among parents and employers were proved justified, they must be met.

The expansion of the State education system in the past decade had been a "massive achievement." But there was no doubt that some schools were poor because of weaknesses in teaching staff and lack of leadership from their heads.

"During the golden years of expansion some young men and women entered the profession who had no great inclination or talent for teaching."

But Mrs. Williams said that she suspected that employers who criticised the schools were much to blame for the lack of effective collaboration.

individual firms and individual schools, going beyond the occasional school party visit or the once-in-a-while talk by the personnel director about careers."

Schools' curricula must provide adequate time for basic subjects, Mrs. Williams said. She had for a long time doubted the wisdom of encouraging early specialisation of study, which caused many children to drop either arts or sciences before they reached adolescence.

While spending on the State education system had been cut from previously expected levels, the system had not been seriously injured, and the country's priority must be to follow the increase in the quantity of educational activity by improving the quality.

This could not be achieved without the co-operation of employers and of parents, who did not always offer the support teachers were entitled to expect.

"Parents cannot demand discipline from the schools if they do not insist upon it themselves; and all of us know parents who seem unconcerned about how much television their young children watch, or even where their older children are."

"More widely I sometimes suspect that education has become a scapegoat for our economic failures, or even for our social ills."

"I hope, too, that we can the strains between the general encouragement local links between

## U.S. confident of sterling balance agreement

BY JURK MARTIN, U.S. EDITOR

THERE is a strong chance, in the view of Washington at any rate, that Central Bank governors meeting in Basle to-morrow and Monday will agree on a plan designed to resolve the problem of Britain's official sterling balances.

It seems probable that the Bank for International Settlements will be a key instrument in it, much as it was in the last sterling balances arrangement in 1968.

Dr. Arthur Burns, chairman of the Federal Reserve Board, will be attending the Basle meeting for the first time in several months.

Officially, the Fed says that its visit is routine, but others connected with the negotiations have left the definite impression that, barring some last-minute hitch, the governors of the Central Bank will reach agreement. "It looks reasonably hopeful," was the guarded comment of one participant.

Moreover, it emerged here this afternoon that Mr. Edwin Yeo, Treasury Under-secretary for Monetary Affairs, had left Washington suddenly—reportedly for Europe.

Over the last few months Mr. Yeo has played a key role in the national monetary negotiations. It is known that the agreement will not require U.S. Congressional approval, although senior Congressmen have been kept abreast on the progress of negotiations. This would mean that American participation in the operation would come either through the Federal Reserve's facilities or from the Government's Exchange Stabilisation Fund.

The latter, however, has been somewhat depleted by recent international credits, most notably to Britain, thus pointing to the more likely involvement of the Fed and, therefore, to the bank's role which is essential as a clearing house. Contributions to the safety net would be provided by the individual central banks; rather than coming from the bank's own resources.

Mr. Henry Reuss, chairman of the House banking and currency committee, is one of the Congressmen who has been kept informed—although not on a day-to-day basis, he said this morning.

The agreement might take the form of a British stand-by facility at the bank. He was not sure how large this might be, but "the figure of \$50m. sticks in my mind."

Mr. Callaghan, Prime Minister, said late last year that the sterling balances, in effect, were a millstone around Britain's neck that the country could well do without. But signs are that the impending agreement will not achieve this.

It is probable that the agreement will cover all or most of the official balances only; these stand at £2,750m., less the £370m. held by international organisations. Private balances—£2,430m.—apparently will not be affected.

Michael Blenden writes: London sources did not rule out the possibility of final agreement being reached at Basle on the sterling balances safety net but suggested that further discussions might be needed.

It is generally expected that the agreement will involve the bank as a channel for a standby credit available to the U.K. to cover any withdrawals of foreign-currency sterling, but probably without any specific exchange rate guarantee for holders.

## Helpful cut

The terms appeared designed to restrain the market, but short-dated stocks showed further rises even after the news, although on a more modest scale than long stocks.

The cut brought M.L.S. down to a level a full point below its peak of 15 1/2 per cent. But it is unlikely to bring an immediate response from the big banks in the form of reductions in their own 14 per cent base lending rates.

The banks are concerned over pressures on the market during the present tax-gathering season and are likely to wait until money market rates have settled convincingly at lower levels before deciding to reduce their own rates.

The move should help to persuade London and the Home Counties could be made 2p higher in order to prevent to-morrow, when shop stewards' bakeries closing down, representing some 1,500 delivery drivers in the south meant to con sider their position.

This follows claims by the United Road Transport Union, which represents the drivers, in the south-east even though it that it had won its battle to keep its selling is own brand loaves at bread prices from falling below 17p. Some discount stores, however, have stopped selling bread rather than raise the price.

## New bread ban threat

A FURTHER threat to bread day that the drivers felt that the minimum price should be at least 17p per loaf. The weekly price and yield appear in most leading newspapers. A commission of 13% will be paid to recognised agents. This offer is not open to residents of the Republic of Ireland, Trustee The Royal Bank of Scotland Ltd. Managers Arbutnot Securities Ltd. (Reg. in Edinburgh 46694) Members of the Unit Trust Association

## Rebel Cable and Wireless directors may get pay rise

BY MAX WILKINSON, INDUSTRIAL STAFF

THE Government is expected to agree to a formula early next week which will allow five rebellious directors of Cable and Wireless to have substantial pay rises.

The deal has been agreed informally between Mr. Edward Short, the company's new chairman, and Mr. Eric Varley, Industry Secretary, who was formerly Mr. Short's junior when they were both Government Whips.

The expected outcome is that the directors, who have been refusing re-election to the Board, will be allowed extra pay for serving on the Boards of overseas subsidiaries.

It is hoped in this way that increases of about 50 per cent which they would need to bring their salaries up to comparable levels in private industry, could be phased in without too much political row.

The five executive directors of the State-owned company are managing director Mr. Archie Willett and £10,000. Salary scales of senior colleagues not on the Board go up to £15,000 a year.

It is believed that Mr. Willett's job is worth at least £20,000 and that the other directors could command £15,000 elsewhere.

The directors are not entitled to any extra pay for their service on the Boards of the overseas subsidiaries of Cable and Wireless in Hong Kong, Singapore and elsewhere.

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\*Estimated current gross yield 13.00% based on the offer price of income units. The Managers reserve the right to close this offer should the value of units rise by more than 25%. (or the daily price if lower).

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Signature(s) \_\_\_\_\_

Joint applicants: all must sign. State Mr/Ms/Mrs or Titled and Forename.

Full Name(s) \_\_\_\_\_

Address(es) \_\_\_\_\_

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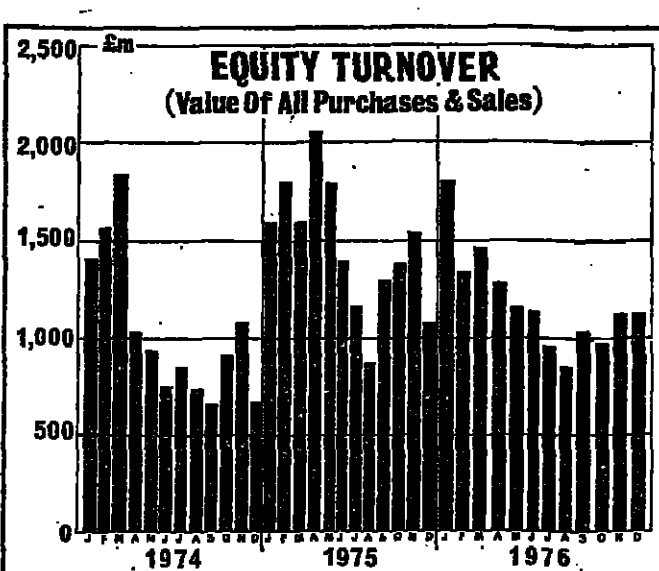


The week in London and New York Activity begins to rise Touch of magic

ONLOOKER

Equities came sharply off the top after hours on Thursday and the 30-Share index moved down further yesterday. But at 305.3 it closed well above the worst of the day and over the four sessions that this week make up the first leg of the new account equities are still showing a gain of 10.6 points. The market has now risen 38 per cent since the low point last October, and bargains marked yesterday at 7.884 were the highest for nine months.

capital notes which it will pass on to shareholders at a rate of 32 1/2 nominal capital note per ordinary share. These will have 305.3 it closed well above the worst of the day and over the four sessions that this week make up the first leg of the new account equities are still showing a gain of 10.6 points. The market has now risen 38 per cent since the low point last October, and bargains marked yesterday at 7.884 were the highest for nine months.



Betting profits came under pressure last year because of small fields and firm going in the summer and the recent spate of cancelled meetings has been hitting turnover badly. Ladbroke's betting profits could be £1m. lower at £8m. for 1976 while Coral may have dropped a fifth to around £3m. Still both groups are well diversified so overall both sets of earnings should move higher for 1976—by perhaps as much as a fifth for Ladbroke and a tenth for Coral. But the quality of casino profits is always in doubt and bingo operations, though seemingly insulated from economic downturn, enjoy only a fairly modest rate of growth.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM DECEMBER 9

Table with columns for Sector, % Change, and Worst Performers. Sectors include Office Equipment, Merchant Banks, Hire Purchase, etc.

Bid tangle

Johnson and Firth Brown extended its bid for Dunford and Elliott on Thursday afternoon—only to promptly lift the offer by a quarter the same evening after the market had closed for the day. The new terms are infinitely more tangled than the deal initially proposed by JFB, and as such they come close to matching some of the complexities of the present Dunford defence. JFB is now offering for Dunford's new Convertible Preference shares so the overall cost of the bid rises to around £9m. But for shareholders the main focus is still the straight equity offer—now a one for one share swap—which is worth 47p, against 42p for Dunford in the market last night and 38p under the original terms.

Share pickle

Episcure Holdings turned in by far the best share price performance in 1976 with a rise of 533 per cent, but since December 24, the movement has been sharply in the other direction. The shares, which reached a peak of 41 1/2p on December 22, now stand at around 29p, having fallen a tenth this week.

Wing spreading

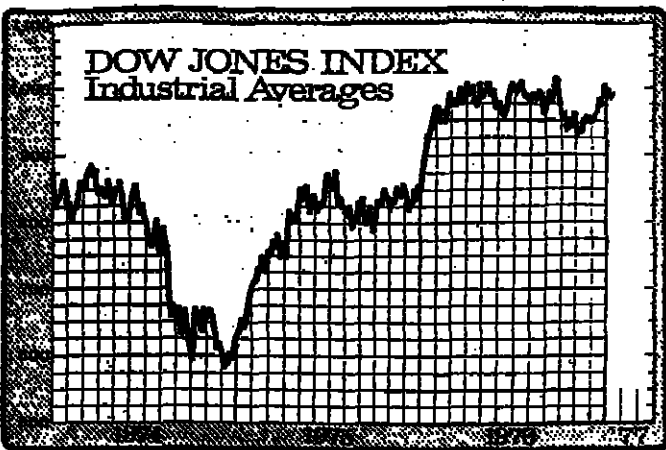
Ranks Horvis McDougall's acquisition of Red Wing in the U.S. is part of a base broadening exercise that still has some way to go. The group has been nibbling away at the North American market for some time but on nothing like the latest scale. This involves the outlay of some £13m. in cash and marks the start of a concerted effort by RHM to increase the size and scope of its U.S. operations.

Punting on

Publication of the Horserace Totalisator Board's proposals to the Royal Commission on the Gambling, which amount to the phasing out of off-course commercial book-making, has understandably led to weakness in the share prices of Ladbroke and Coral. The latter has slipped 9p to 87p this week and Ladbroke actual mechanics of the operation are as follows: GEC will convert a sizeable part of its just about on par with the rest share premium account into the of the market.

BY JAY PALMER NEW YORK, Jan. 7.

SHOOTING AHEAD in the final moments of trading in the old year, Wall Street managed to open 1977 with its Dow Jones Industrial Average above the magic 1,000 level. While many interpret this as a bullish omen, hinting at further price rallies still to come, the first week of trading this year has been generally bearish with prices falling sharply across the board. Superstitious traders on Wall Street—and there are many of these—can quite easily read dismal portents into this New Year price slide. Tradition has it that the market's trend over the first five trading days of a New Year provides an accurate glimpse at the trends likely to come over the full 12 months. On this perhaps irrational basis, the outlook for 1977 is not good. Over the first three trading days, the DJ Index fell nearly 2.5 per cent according to the "January early warning system," which when applied to the last 27 years shows an accuracy rate of over 90 per cent. This means we are in for a bearish month and a bearish year. But despite this week's price



performance over 1976, highly probable that this coming year will see a continuation of the trend towards secondary stocks. In 1976, the Dow Jones Industrial Average of 30 blue chip shares rose 17.9 per cent. Much more widely based and more representative indices showed much larger gains. The Standards and Poor's 500-share index rose over 19 per cent while the New York Stock Exchange Composite Index jumped 21.5 per cent. The average price change of a share on the NYSE rose, according to one study, by 29.3 per cent, while the American stock one clear point emerges. It is now, on the basis of the market's 36 per cent.

Mining Small is beautiful

BY KENNETH MARSTON, MINING EDITOR

EVERYBODY knew that Selection Trust and MIM Holdings were on to something good up at Teutonic Bore, some 60 kilometres north-west of Leonora in Western Australia's acid-volcanic belt. Confirmation of this came in October with high value copper-zinc-silver assays from the first seven boreholes put down. The inevitable pegging rush that followed soon found that much of the ground in the vicinity had been already claimed by the drillers. Seven good drills do not necessarily make a mine, but results issued this week from a further 13 holes leave little doubt that Selection Trust and MIM have, indeed, found an attractive mining proposition. With true conservatism, the partners have stated only that "diamond drilling operations and metallurgical test work are continuing," but one can sense a thrill of excitement in the background.

tin mine which is doing well is the South Crofty operation of Rio Tinto. It has produced 1,488 tonnes in the past eight months compared with 1,381 tonnes in the same period of the previous year. The far superior performance of these averages and the widely-based indices reflects the year-long trend by U.S. investors towards the so-called secondary sector—the smaller lower priced companies. The big remaining question to-day is whether or not this superior performance simply reflects long overdue catching up of the secondary stocks which got left behind in every bull market since the mid-1960s. Many argue that there is more growth to come.

Tin outputs compared

Table comparing tin outputs for various countries from Nov 1976 to Dec 1976. Columns include Country, Nov 1976, Dec 1976, Total to date, and Same period previous year.

BP and RTZ

Moving into the big league we come to British Petroleum and Rio Tinto-Zinc. For some time now it has seemed that with its spread of producing mines throughout the world and a market capitalisation which must stand at a fraction of the cost of starting such mines to-day, RTZ could be ripe for a take-over approach from one of the oil majors who are showing increasing interest in the mining industry. Indeed, there were pre-Christmas rumours that BP might be a suitor for RTZ and shares of the latter responded accordingly. The talk may have been generated by the fact that BP has formed a minerals subsidiary. It is also possible that the market may have got wind of a deal being done with RTZ. Such a deal has been announced this week. It is simply that BP has purchased for an undisclosed sum half RTZ's 20 per cent stake in a five-year deep sea mining exploration venture. It is managed by America's Kennecott with 50 per cent interest. Each holding further stakes of 10 per cent are Consolidated Gold Fields, Mitsubishi and Noranda.

Cornish tin

Another small mine is Geever in Cornwall. After living through some hard times the UK tin producer is now making the most of buoyant metal prices and this week has announced a pre-tax profit for the six months to September 30 of £145,000. This compares with a loss of £47,542 in the same period of 1975. For the full year to last March there was a loss of £51,138 before crediting a £132,390 surplus on realisation of investments. For 1975-76 Geever omitted an interim dividend and paid only a final of 5p net. Confidence in the current year has been underlined by this week's interim declaration of 6.5p net and the fact that tin concentrate production for the past eight months amounts to 616 tonnes against 564 tonnes a year ago. Incidentally, another Cornish

MARKET HIGHLIGHTS OF THE WEEK

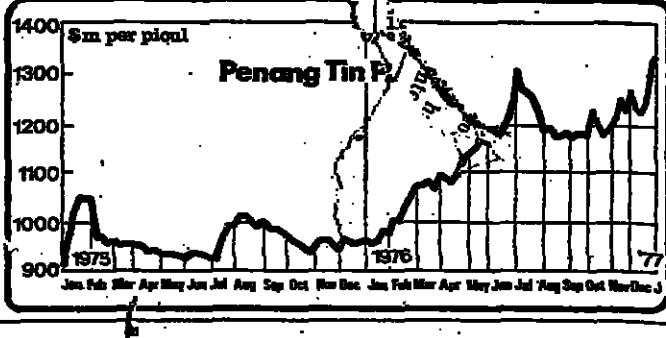
Table with columns for Index, Price, Change, and Notes. Includes FT. Ind. Ord. Index, Treasury 14% 1982, Daily Mail 'A', etc.

U.K. INDICES

Table with columns for Index, Jan, Dec, Dec. Includes Average week to Jan, Financial Times, FT Actuaries, etc.

TV/Radio section listing BBC 2, BBC 1, and various regional and national programs with times and descriptions.

Regional news and program listings for areas like ANGLIA, AT MIDLANDS, BORDER, LONDON, CHANNEl, GRAMPian, WESTWARD, YORKSHIRE, and Ulster.



TV Top 20

Table listing top 20 TV programs for the week ending December 26, including 'This Is Your Life', 'The Saturday Show', etc.

Chess Solutions section providing solutions to chess problems, including 'Solution to Position No. 148' and 'Solution to Problem No. 148'.

Handwritten text at the bottom of the page, possibly a signature or note.



# Your savings and investments

## Surveying school fee schemes

BY TOM KYTE

WITH THE gift-giving season still in recent memory it seems a good time to examine the latest events in the school fees sector. After all, a private education is still regarded by many people as one of the most important gifts which can be bestowed upon a child. But provision of such a gift has become a much more complicated and expensive gesture in the last couple of years. School fees have escalated in line with inflation and new tax legislation has wiped out many of the benefits which used to exist in school fees insurance schemes.

School fees plans break down mainly into two groups, capital plans and income plans. As the names suggest a capital plan involves the payment of one lump sum, normally used to purchase annuities which will grow at a given rate during the life of the policy, while an income plan requires the payment of annual instalments until the total investment approximates to the total school fees bill.

Many public and private schools operate their own capital plans and since these schools

are often registered as charities (thus their investments are free of tax) the returns available to pay school fees are sometimes far greater than are obtainable elsewhere. However, there are some disadvantages under these schemes. One is that their appeal is limited to people with large capital resources, while another is that they often have little flexibility. Where the person supplying the capital is not a parent it is important that the scheme is flexible enough to provide as much cover for school fees as is possible within the Capital Transfer Tax exemption limits.

Capital transfer tax which was introduced in the 1975 Finance Act, towards the end of last year is chargeable on all capital transfers, except those between spouses or from parent to child, in respect of education, maintenance and training. About one-third of the school fees schemes currently in operation were taken out by people other than the parents of the children concerned — grandparents especially.

The greater flexibility required to make a scheme beneficial under the new tax legislation is more likely to be

found among those currently being operated by the school fees specialists, the most notable of which are School Fees Insurance Agency, C. Howard and Partners, and Save and Prosper Insurance Services. They have all carried out a good deal of research into the implications of CTT. Although they have all reached the conclusion that there is no way that it can be avoided on transfers above the exemption limits they have arranged their plans to provide the maximum benefit within these. One point that they all stress is that under CTT legislation it is important for all non-parents to start their schemes as soon as possible after the child's birth so that the greatest return on the capital can be achieved before the policy matures.

The latest development in the school fees field, as far as capital plans are concerned, was the launching by C. Howard and Partners of its Howard Private Education Trusts (PET) in February. The main difference between this and the previous Trustee scheme was that the annuity on the policy is now assigned to the Trustee (in this case Lloyds Bank) rather than the school. This is

## Testing some investment myths

BY ERIC SHORT

THE LAST month of the year is a time when commentators review the performance of unit trusts during that year. Those who based their discussions this time on the position at the middle of December or even earlier were slightly caught out because the U.K. equity market continued its recovery right to the end of the month. This enabled those funds invested in U.K. equities to appear in a much better light than was expected at the end of November.

Indeed, the Planned Savings performance tables for 1976

bridge and for many it can be a case of opportunities missed. Nevertheless many investor advisers use the past performance of unit trusts as one of the main factors in selecting trusts for future investment. There are two schools of thought here. One is that a good performance over the long period indicates good management and therefore such trusts are better investments. The other view is that last year's good performers will be bottom of the table in the current year and vice versa, so sell last year's leaders and buy last year's laggards.

assesses whether the results could have arisen by chance. For example, in analysing the effect of previous performances, he simply lists the trusts in sequence for each year and then calculates the relationship between the positions, to get a factor known as "rank correlation coefficient."

If each trust occupied the same position in each year the coefficient would be +1. If the positions were completely reversed so that the first in one year was last in the next and vice versa, the coefficient would

be -1. If the positions from one year to another were completely random the coefficient would be zero.

The analysis showed that each of the performances in the years 1971 to 1974 inclusive showed a positive correlation with that of the previous year and that these managers proclaiming the end of capital growth at the expense of yield.

The findings of this research do better in the ensuing year, have now given these investment factors some substance in correlation was negative, because the good performers in 1974 fared badly in 1975. This point was picked up by many commentators and they forcibly advanced the argument that last year's winners were this year's losers. But Dr. Gurney's tenta-

Top performers	% Gain	Best U.K. orientated funds	% Gain	Bottom Performers	% Loss
M & G American	49.2	Arbuthnot Preference	17.0	Oceanic Financial	20.2
Henderson Far Eastern	43.2	Piccadilly Technology	16.5	Henderson Australian	20.3
GT Japan & General	40.9	Ionian Income	13.1	Britannia Gold & General	21.0
Steward American Fund	39.1	S & P Capital	13.0	Britannia Property	21.2
M & G Japan	35.7	Midland Drayton Growth	12.1	Great Winchester	23.3
S & P Japan Growth	34.3	Arbuthnot High Income	11.1	Cosmopolitan Growth	23.4
Hill Samuel Dollar	31.8	Target Preference	9.3	S & P Property Share	23.6
A-Hambros Sec. of Amer.	30.3	London Wall High Income	9.0	Oceanic Growth	27.6
Lawson American	29.5	M & G Special	8.8	Lawson Growth	28.6
S & P U.S. Growth	27.3	Jascot Compound	8.7	Britannia Minerals	40.2

showed that many U.K. based funds managed to finish 1976 with a higher price, allowing for reinvested income, at the end of the year than the beginning. Eventually, about one-third of all unit trusts showed a positive return to unitholders in 1976—a far higher proportion than seemed possible at the end of November when only 14 per cent, mostly overseas based funds, showed gains.

But at the beginning of the year it is perhaps opportune to consider what use performance tables are to the investor, besides providing him with an instant measure of how his trusts have done over the year. After all, it is water under the

But are these suppositions supported by concrete evidence? This question has been investigated by Dr. J. P. Gurney of Hambros Bank and his methods and conclusions appear in the December issue of The Investment Analyst, the monthly journal published by the Society of Investment Analysts. He uses mathematical statistical methods to analyse the effect of three factors which advisers take into consideration in selecting trusts—the size of the fund, the yield on the fund and the performance over the previous year. Dr. Gurney uses the standard statistical technique of measuring the correlation between each of these factors and the performance of the funds and then

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## Rates for policy loans

ASSURANCE policies have long been a major feature of the money lending business. They can be used as either collateral for a finance house or bank loan, or as a means of raising short term money from the life company itself. At a time of high finance charges, with MLR still around 14 per cent, it is the second of these uses which is the more interesting. An insurance policy loan is after all, still a relatively cheap method of raising finance. The major clearing banks, are at the moment, charging effective interest rates on personal loans ranging between 17½ per cent per annum and 19½ per cent. Among the life companies Royal Insurance seems to be close to the top of the interest scale with a blanket charge of 16 per cent p.a.

The Standard Life also makes a blanket charge on its loans and following a review of this side of its operations last November this is now at a rate of 14½ per cent. Most of the other insurance companies on the other hand operate a rising scale of charges. For instance Scottish Widows increases its rate according to the size of the loan. For the first £2,500 the rate is 11 per cent rising to 16 per cent for loans of over £15,000. It is understandable therefore that most of the loans currently being taken out by policy holders are at the lower end of the scale. Indeed Scottish Widows' average loan is less than £2,500, while the Standard Life's is round £750.

The loan services of the respective life companies also differ in other ways. Whereas Scottish Widows is prepared to end up to 75 per cent of the surrender value of any policy the Standard Life sets its maxi-

Company	Minimum interest rate %	% of surrender value available
Scottish Widows	11	75
Norwich Union	11	85
Friels Provident	13	80
Standard Life	14½	90
Royal Insurance	16*	85

\* Rate applicable to all loans, irrespective of size

imum at 90 per cent. The average is about 85 per cent. The reason for these differences is simply that the insurance companies do not consider that they are in competition in the money lending business, and they calculate their terms on a completely independent basis. One example of this is that while the Standard Life and Scottish Widows gear their interest charges to the returns on their other investments, predominantly gilts, the Royal links its charges to the general level of interest rates.

When the Standard Life announced the increase in its interest rate last November—from 10½ per cent to 14½ per cent—the question was raised in some minds, whether the attractions of insurance policy loans were going to be eroded by higher finance costs. However, as can be seen above the Standard's interest rate still compares well with the rest of the sector and is well below the charges of the other institutions.

In fact far from declining, the popularity of insurance loans, as a means of raising small amounts of short term money, now looks set for something of a revival. Following the Bank of England's directive to banks and finance houses in November, personal loans are becoming in-

creasingly difficult to obtain. Moreover, even when available, a personal loan is subject to a great many restrictions. When used for the purchase of cars, for instance, a bank loan requires a deposit of 33½ per cent, and repayment over 24 months. The conditions regarding the purchase of other luxury goods are a little easier but even here the requirement is a 20 per cent deposit and repayment over 30 months.

An insurance loan is subject to no such conditions. The money once raised can be used to finance any purchase without incurring any special restrictions. The interest only is required to be paid during the life of the policy, with the principal of the loan deductible from the maturity value when the policy is completed. It is also possible of course for the principal to be repaid during the life of the policy, at a moment's notice, so that the maturity value can remain intact. Thus, despite the insurance companies' insistence that loans are just the icing on the insurance cake, it seems possible that as other forms of lending become increasingly complex, the attractions of this form of borrowing could provide a very useful incentive for people to take out life insurance.

## AN OPPORTUNITY TO ACQUIRE

# 12.1%

ESTIMATED CURRENT GROSS YIELD

## WITH PROSPECTS OF CAPITAL GROWTH

FIXED PRICE OFFER OF CHIEFTAIN HIGH INCOME UNITS CLOSING ON 14<sup>TH</sup> JANUARY 1977

Chieftain High Income Unit Trust aims to bring you immediate high income combined with prospects of good capital growth.

Over the years we shall seek to ensure that the income you receive grows. Furthermore, while a high income is the main purpose of the Trust, it is an historical fact that high income unit trusts have often been some of the best vehicles for capital growth.

The Trust's yield compares favourably with many fixed interest investments such as building societies. We believe that, in the long term, the potential for growth of both income and capital will give you a significantly better total return.

Although you can sell your units at any time, unit trusts should not be regarded as a short-term speculative investment, and we would like to emphasise that the price of units, and the income from them, can go down as well as up.

But purely as a matter of record, since the launch of the Trust on 6th September 1976, the offer price of units has increased by 13.6%. During this time, the FT Ordinary Share Index has risen by 4.5%.

balance of payments, which is forecast to show a healthy surplus from 1978 onwards.

The rate of inflation has come down over the past 12 months and a form of pay policy now seems likely to hold for a third year.

One other major factor affecting the economy, and therefore share prices, is of course interest rates.

The recent budget should bring some stability to sterling, which could well lead to a gradual reduction in interest rates. When they do fall it can only be to the benefit of the stock market, and so of Chieftain High Income Trust.

### WHY A UNIT TRUST?

The problem associated with stocks and shares for the individual investor is, of course, that he rarely has enough capital to spread his risk, and sufficient information to choose with confidence. This is particularly true for those seeking a high income.

But the beauty of a unit trust is that, through it, you invest in a wide portfolio of stocks and shares, which is managed for you by full-time professionals.

### AN APPROPRIATELY TIMED INVESTMENT

The funds of Chieftain High Income Unit Trust will be invested in high yielding stocks and shares. A decision to invest now could prove particularly sensible, as share prices are still relatively low despite continuing evidence of some recovery in the U.K. economy.

With payments of the IMF loan to the U.K. to be phased over the next two years, the steady course set by the Government's recent budget is likely to be maintained for some time. The impact of North Sea oil should increasingly benefit our

### INVESTMENT POLICY

Our policy is that by far the greater part of the Trust's funds will be invested in high yielding ordinary shares. Holdings of preference shares will not exceed 20%. More than this would, we believe, restrict opportunities for growth.

In order to minimise risk, the portfolio is spread over about 100 U.K. companies.

Our investment managers will monitor the progress of these companies very carefully and act accordingly. And here, curiously they will be helped by the fact that Chieftain High Income is a new trust, because this will enable them to be quicker and more flexible in their investment tactics, especially when shares need to be sold. Very large holdings can be difficult to dispose of at a satisfactory price.

### YOUR REASSURANCE

Chieftain's executive directors individually have an extensive record of outstanding unit trust management with some of the industry's most successful groups. If you wish to verify this independently, contact your financial adviser.

### APPLICATION FORM

Fill in the coupon and send it to: Chieftain Trust Managers Limited, 30 St. Queen Street, London EC4R 1BR.

I would like to buy Chieftain High Income Units to the value of £..... at 28.4p each.

(Minimum initial holding £250)

I enclose a remittance, payable to Chieftain Trust Managers Limited.

Tick box:

If you want maximum growth by automatic reinvestment of net income.

If you want to know how to buy Chieftain High Income Units on a regular monthly basis.

If you would like details of our Share Exchange Plan.

### TAX ADVANTAGES

You can sell your units on any normal working day at the prevailing bid price.

If you are a standard rate taxpayer you will generally incur no tax liability when you come to sell.

If you are paying a higher rate of tax at the time of sale, you will be liable to Capital Gains Tax. But, even for the top-rate taxpayer, there is a maximum liability of only 12½% (as against the normal rate of 30%).

### CLOSING DATE

Until 14th January 1977, units will be available at a fixed price of 28.4p each.

Fill in the coupon, or talk to your financial adviser without delay.

### GENERAL INFORMATION

Your application will not be acknowledged, but you will receive a certificate by 25th February.

The offer will close if the price of units should have risen by 21%. After 14th January, units will be available at the daily quoted offer price and yield published in most newspapers.

Units can be sold back at the bid price on any working day. You will receive a cheque within seven days of receipt of your renounced certificate.

Chieftain High Income Units were first offered on 6th September 1976 at 25p each.

There is an initial management charge of 5% included in the price of units, and out of this the Managers will pay commission of 1½% to recognised professional advisers. There is also an annual charge of 3% (plus VAT) which has been allowed for in the quoted yield.

Income is paid net of income tax, but this can be reclaimed by non-taxpayers.

Distributions and a report on the fund are made half-yearly on 31st May and 30th November.

This offer is not applicable to Eire.

The Managers of the Trust are Chieftain Trust Managers Ltd., 30 St. Queen Street, London EC4R 1BR. Telephone: 01-248 2932.

The Directors of Chieftain Trust Managers Ltd. are P. L. Poits B.A. (Chairman); R. J. D. Eats M.A., M.B.A.; J. D. Gillett B.Sc.; I. H. A. Hazell F.C.I.S.; A. LEK. Tod.

### Chieftain TRUST MANAGERS LIMITED

I declare that I am over 18 and not resident outside the U.K. or Scheduled Territories and that I am not acquiring the units as nominee of any person resident outside the U.K. or Scheduled Territories. If you are unable to sign this declaration it should be deleted and your application lodged through an authorised depository.

FT

SIGNATURE: (PRINT NAME)

ADDRESS: (PRINT FULL ADDRESS)

ADDRESS:

STAMP HERE

(If there are joint applicants all must sign and attach names and addresses separately.) (Regd office as above. Regd No 74013-11)

**MEMORANDUM**

**FROM: TARGET TRUST MANAGERS LIMITED**

**TO: THE HOLDERS OF £11,000 MILLION OF GOVERNMENT SECURITIES**

**RE: BRITAIN'S FIRST GILT-EDGED UNIT**

You are the private holders of Government Securities. Your investment probably does not receive day-to-day attention from one of the leading specialists in this £40 billion market. You may now take advantage of such specialist management by exchanging your holdings for units in the Target Gilt Fund on beneficial terms.

During 1976 the average transaction in Gilts was approximately £100,000. Indeed the Gilt Market is peaking to this and larger bargains where the most competitive dealing is possible. Through Target Gilt Fund you may compete on equal terms.

The Investment Advisers to the Fund are King & Shaxson Fund Managers Ltd., a subsidiary of the London Discount House, King & Shaxson Ltd., who have been investing in the money market for over 100 years. They have a record of long-term success in the management of Government Securities on behalf of institutional and private investors.

By exchanging your gilt-edged Securities for units in Target Gilt Fund, you can enjoy at economic cost the advisory services of King & Shaxson with all the safeguards of a unit trust authorised by the Secretary of State for Trade and managed by one of the leading United Kingdom Unit Trust Groups.

To Target Trust Managers Ltd., Garrard House, 31 Gresham Street, London EC2V 7DT.

Member of the Unit Trust Association. FTS/1

Please let me know the terms on which you could exchange my Government Securities (full details of which I attach) for units in Target Gilt Fund (minimum value £250 per security).

Name: \_\_\_\_\_

Address: \_\_\_\_\_ (Not applicable to Eire)

Total Funds under management in the Target Group £100,000,000



# Finance and the family

# Insurance

## Domicile and intestacy

BY OUR LEGAL STAFF

An intestate died in 1948, who had a large holding of British Government Securities. He was neither resident nor domiciled in the U.K. At his death in his country of residence and domicile his estate was divided among his heirs and under the laws of the country no executor or administrator is appointed, the estate devolves directly on the heirs in that country. However, it is still unknown what became of his British Government Securities. No trace was found of any English Grant of Representation having been issued. Thus some of his heirs who are still living do not know what became of these securities. How can information about the holding of the deceased at the time of the death be obtained by his other heirs? What do you advise? The deceased may have also held shares in British Companies operating in Malaysia or Penang. But it is not known whether they were in the U.K. Register or overseas register. Can enquiry be made somewhere to ascertain this matter? If the persons who would be entitled on the intestacy of the deceased according to the law of his domicile at the date of

his death were to make enquiry either directly or through an agent (for example, a solicitor) authorised to act on their behalf it should be possible to ascertain from the registrar of the securities whether the securities are still registered in the name of the deceased, and, if not, whether anyone purporting to claim as personal representative or heir or next-of-kin was registered in his stead. If you have the names of the companies in which shares were thought to have been held enquiry can be made in respect of the U.K. and the overseas registers. You may be able to obtain some further information from the Stock Exchange if there is doubt whether there was a U.K. register of the company in question.

### Ensuring house for nephew

I am leaving my house to my sister for life and then to my nephew. How can I ensure that the actual house goes to him and is not exchanged for another? What you wish to achieve can be done by providing in your will

for a trust for sale with conditions attached as to the effecting of the sale, for example, no sale to take place without the prior written consent of your nephew, possibly coupled with a gift over to some other person if the property is sold, or sold without such consent. Trusts of this kind require very careful drafting and we suggest that you consult a solicitor to ensure that the technical problems are dealt with.

### Outside the Rent Acts

Referring to your reply on November 6 under Outside the Rent Acts, does it mean that two people sharing a furnished flat or bed-sitter cannot apply to the Rent Officer to fix the rent? Are a man and woman living together treated as a married couple? Does the exemption apply if the landlord does not live on the premises? If there is a true sharing of the whole premises under the terms of the "tenancy" (that which is only of the shared use) the Rents Acts do not apply and an application to the Rent Officer should not

### Creditors of an estate

If a man dies and leaves a tiny estate, and the debts on that estate exceed the value of the estate, what should the executors do with regard to paying off the creditors? The executors should administer the estate as on the insolvency but out of court, that is, should pay the debts in the Order set out in the 1st Schedule to the Administration of Estates Act, 1925.

### An insolvent estate

As executive of an estate which I expect will prove to be insolvent, am I bound to pay the debts proportionately, or can I pay the small tradesmen's debts

### Disposing of a company

My daughter and I each own 50 £1 shares in a £100 property company. I wish to wind-up the company and hand over the property to my daughter. What is the best and cheapest way to do this? Can I transfer the property legally by gift, or at a nominal cost, and let the company lapse? Or can my daughter buy out my 50 holding and take over the company, as it is, lock, stock and barrel?

You can sell your shareholding in the company to your daughter; or you can make a gift of your shares if their value is, as they appear to be, within the exemption for annual gifts for the purposes of Capital Transfer Tax. Whether or not you do this the company can be allowed to "die" by failing to file the annual returns and permitting

### Responsibility for wife's debts

What, please, is my legal responsibility for my wife's debts? She will not tell me what she earns. Am I entitled to know it? You are responsible for your wife's debts in the first instance. You can, however, disclaim that responsibility by notifying the persons with whom she may contract debts that you will not be responsible for paying them. Notification to the bank and to tradesmen who are customary suppliers would be requisite. However, such notification may well not absolve you from liability in respect of necessities supplied to your wife. You have no formal right to know what her earnings or private means are.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

## Boat cover

BY JOHN PHILIP

WITH THE 1977 Boat Show so to speak in midstream at Earls Court, it is perhaps a suitable moment to turn the thoughts of boat owners, and would be buyers of boats, to the insurance which is required—not by law, but by common sense—to protect the capital investment that a boat represents.

Lloyds, of course is the home of marine insurance, and anyone wanting to insure a boat, whether it be a sailing dinghy or a supertanker, has a specialist market serviced by expert brokers: if you want to get cover at Lloyds' it is necessary to deal with a Lloyds' broker—you cannot deal directly with any Lloyds' underwriter.

Despite the pre-eminence of the Lloyds' marine market, most of the composite companies (those that write all kinds of insurance rather than specialising in just one or two classes) have developed substantial marine accounts in the past few decades, and almost all of them offer package policies for boat owners, which have some similarity to the household and motor "comprehensive" contracts which so many of us have. If you want to get boat cover from a company you can usually deal direct, though this will not save you any percentage of premium, and of course you will not be able to enjoy the broker's advice on choice of contracts.

Just as household and motor policies have inbuilt territorial limits, so have many marine policies, and the boatowner thinking on taking his craft across the English channel or further from home should see what sailing limits are written into his policy. There are precise legal connotations for such phrases as Great Britain or the United Kingdom, and the policyholder should make certain what waters are covered.

But such pressure may come—and from outside Britain rather than from inside. A while ago it seemed that the EEC Commission in Brussels would issue a directive requiring boat owners to have liability to a specified level, and doubtless the proposals then drawn up are resting somewhere ready for resurrection if the Eurocrats can take time off from more pressing problems such as agricultural and fisheries policies.

In 1975, Italy established compulsory marine insurance, while nearer at home, in the Channel Islands, Guernsey and Jersey require boat owners to have liability cover of £50,000 or £100,000 respectively. So there are precedents for compulsion.

Because, here in Britain, liability cover is not compulsory the financial limit of that cover varies from one insurer to another: it can be as little as £25,000 but may be as much as £250,000. For some years now I have recommended the purchase of at least £100,000 worth of liability cover, but with continuing inflation, I think the time is fast arriving when each boat owner should settle for £250,000, despite the fact that in certain

circumstances he may be able to limit his liability, by the special laws of marine liability, to around £35,000. All modern packages designed for what insurers call small craft (boats of under 16 feet in length and incapable of speeds above 17 knots) include damage insurance as well as liability cover; but not always to the same extent as do most motor insurance policies, and the boatowner needs to read his damage clauses carefully. Damage cover is, so to speak, built around insurance on the hull, and what might be called the integral essential fittings of the boat—the engine in the case of a powered craft and the masts and sails on a sailing boat. But underwriters' attitudes vary, and some will include movable accessories—galley equipment and so on, while others will not. Moreover such policies usually enumerate the perils that are insured (in much the same way as do most household policies); marine small craft policies are not "all risks" insurances and if you sustain loss or damage, you must prove that this is due to an insured peril—collision, capsizing, stranding, grounding or fire. Incidentally, while fire is usually specifically mentioned, it may be restrictively defined so that only damage due to "open flames" is insured.

## Taxation

THE ECONOMIST for December 25 contained a stimulating and thought-provoking (although maybe over-optimistic) survey "The Coming Entrepreneurial Revolution" written by their deputy editor, Norman Macrae. This suggests that the future may lie not with the giant corporation, whether private or State, whether domestic or multi-national, but with smaller, specialist organisations sub-contracting to each other. It is suggested that "successful big corporations should devolve into becoming confederations of entrepreneurs." Members of a specialist department of a company, instead of being salaried employees, might become a "business within a business" contracting to provide services or components on an agreed basis and maximising their own return from so doing. Individuals would be able to "compute their own lifestyle" without the rigidities of nine to five, or a formal hierarchical structure. This is, to me at least, a very attractive alternative view of the future and I hope the survey will stir up a broadly based public debate. As my own contribution, I would like to look at the tax implications of the views put forward.

factor encouraging mergers but discouraging splits of companies into component parts. Under U.K. tax law, if two companies merge the assets of one can be carried on to the books of the other at original cost and no tax charge on the unrealised gain is precipitated until the assets are actually sold at arms length. Similarly, at the shareholder level the new shares are simply treated as if they had been acquired at the same cost as the old shares and no capital gains tax is precipitated. The merger does not prejudice the right of both parties to carry forward losses and unused capital allowances. There are valuable concessions (a little restricted by EEC harmonisation) on capital duty and transfer stamp duties. Many other countries have similar concessions but they are often restricted to domestic mergers. The U.K. rules are more generous and flexible even where one of the parties is a non-U.K. company.

It is far less simple to split up a U.K. company into two or more separate companies. There is no clear procedure by which one can avoid precipitating tax on the deemed disposal of appreciated assets. Although this can probably be achieved in practice, under present law, there are already enough "institutional" objections to the hiving off of corporate divisions to make it highly desirable that our tax code should include clear, positive and well understood provisions. In contrast, the U.S. tax law

is symmetrical, with specific procedures for "split-ups," "split-offs" and "spin-offs." The EEC draft directive on international mergers (not yet implemented) is also symmetrical in concept. A special problem in the U.K. is that the Revenue tends to disapprove of any transaction which results in surplus cash from a company being returned to shareholders. This is particularly so in the case of private companies which would have to pay very close attention to the notoriously overkill anti-avoidance provisions of Sections 460-464.

Our tax system also actually encourages bigness. Fortunately, the worst features of close company taxation, phased out under Mr. Jenkins and Mr. Barber, have never been reinstated. The imputation system, or what is left of it under the impact of inflation, does not have the bias towards unnecessary retention and growth for its own sake that was suffered under the 1965 system of taxing companies.

On the other hand, many types of company receive unfavourable tax treatment as independent entities. Companies deriving most of their profits overseas suffer the phenomenon known as "ACT prejudice" by which they get considerably less than full relief from double taxation. Such a company will have a strong incentive to merge with a company with U.K. taxable income.

A company undertaking a programme of heavy capital investment, particularly a shipping company, can get a much more immediate benefit from capital allowances if it is part of a larger group with otherwise taxable income. A company undertaking a risky project as an independent entity may find that if the venture is successful it shares its profits with the Revenue, while if it is unsuccessful it has no way of deducting the loss.

Here again there are advantages in being a large group with an otherwise taxable flow of profits. In all these cases there is a bias towards a merger based purely on technical tax considerations regardless of any commercial logic there might be. A classic case of a physically induced merger was that between Trafalgar House and Cunard, although subsequent developments indicate that this might have had a degree of commercial logic. In the old days of Stock Exchange booms, share exchange mergers were more attractive than cash offers (or liquidations) because of the capital gains tax position of the shareholders. Some, but not all of these, distorting factors, can be cured by changes in the tax system. What we need more than anything else is to recognise the central importance of symmetry in imposing taxes.

If Mr. Macrae's ideas are to have any hope of success we need not only to facilitate divi-

sions of companies but to ensure that a reasonable ownership interest is given in those companies to senior management. One large public company might be divided up into three parts. The public shareholders would initially be issued with shares in all three successor companies, but over a period of time purchases and sales would destroy this parallel ownership pattern. Each of the three companies would need separate management. Parallel boards of directors would defeat the logic of the operation although some initial overlap might well be desirable.

What is essential is that each of the new management groups should have some incentive stake in their respective companies, perhaps in the form of deferred shares. This involves a complete re-think of the Revenue attitude to stock option and share incentive schemes. Ideally one would like to see a change in the law to permit management to share in the fortunes of shareholders but an acceptable second best might be a reasonable assurance that the Revenue would not act to counter any methods discovered of dealing with this problem.

Mr. Macrae rightly points out that personal identity with the fortunes of a company is only possible for perhaps the top 40 people in the company. Therefore the larger the company the higher is the proportion of potentially alienated people. His answer is to break up functions into teams which would

contract to provide certain services to one or more larger firms.

The team would negotiate its own terms and make its own arrangements for meeting the targets set on a basis which would maximise their personal satisfaction whether this be for profit, for leisure, for flexibility, or for a sense of independence. Under present law, this could oddly enough actually improve their tax status as they could organise themselves into consulting or sub-contracting companies and at least eliminate the top rates of tax. Here again, the difficulty is not with the present law, but whether the Revenue would try to assimilate the reorganisation with "the lump" and bring in new legislation to strangle the development at birth. The situation of course would be very different from that under "the lump" which, although potentially a perfectly proper means of tax avoidance, was in practice often used for evasion. Tax evasion may be a venial sin, but many of those involved went further and committed the cardinal sin of avoiding paying trade union dues.

In this brief summary of some of the tax problems, I have naturally not done full justice to all of Mr. Macrae's ideas. In particular, he has ideas for "privatising" parts of the public sector. I wonder how he would apply it to the Inland Revenue? Could we see a return to "tax farming" on the ancient Roman model?

JOHN CHOWN

## Abbey National present



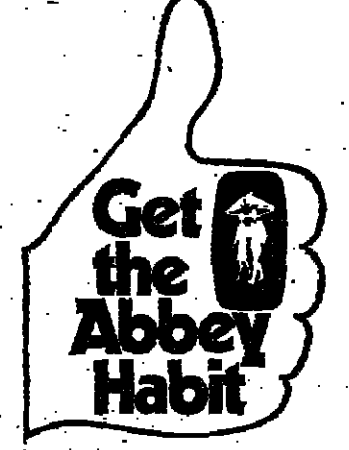
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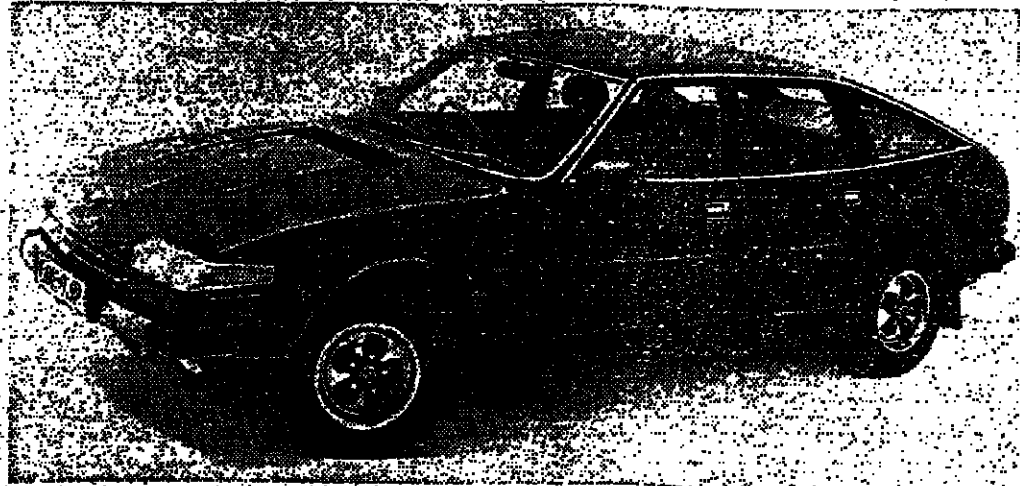
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# Motoring



## Rover wins the poll

BY STUART MARSHALL

ROVER'S SUCCESS in winning the Car of the Year award with the new 3500 is well deserved but surprising. Well deserved because it is a truly excellent car and ought to have won surprise because it is virtually unknown in the European mainland where all but six members of the 49-strong Car of the Year jury are based.

Ford's front-drive "super-Mini", the Fiesta, had been widely tipped to win, but to their great disappointment it came third. The Fiesta has been available in Germany, Italy and France for some months, though it will not reach British showrooms until the beginning of February. It is, however, becoming one of the best selling — perhaps the best selling — cars in Europe and is the most commercially significant of the 1976 model crop.

The car that just beat the Fiesta into third place was the Audi 100, which has also been on sale in Germany since September and arrives here soon. It is an executive saloon, of exactly the same size as the Rover 3500. At present it comes only as a four-door with a very big boot, but a five-door hatchback will be introduced at the Geneva Show in March. The most remarkable thing about it, technically, is the use of a five-cylinder engine in the most expensive version.

In fourth place was the car that impressed me so much when I drove it in France last summer that I tipped it as an outsider for Car of the Year. This was the Renault 14, still unknown in Britain though proving very popular with French buyers in the small/medium family car class. It is due here in May.

The R14, a five-door, comes between the R12 and the ageing R16 in size and price. It is Renault's first model with an

east-west engine — the same engine as Peugeot use in the latest version of the 104. The R14 seems to me to have everything one needs in this class of car: an exceptionally comfortable ride, easy handling, lashings of space for people and luggage, more than enough performance and good fuel economy. Its styling, like that of all Renaults, is individual and will take a bit of getting used to.

Any of these four cars would have been a worthy winner of a Car of the Year contest. It just happened that this year there were a large number of good cars to choose from whereas 1975, when the Chrysler Alpine took the award, was hardly a vintage year for new models. Nice car though it is, I reckon the Alpine would have been hard put to it to make better than fourth or fifth had it come on the scene this year.

Having their product chosen as Car of the Year is worth millions of pounds in publicity to a manufacturer and Leyland are jubilant over the Rover's choice. It was no photo-finish winner, collecting 157 points compared with the Audi's 138 and Fiesta's 135. As an involuntary shareholder, one must hope Leyland can produce enough to satisfy demand from German buyers in particular. No car is better suited to high speed auto-bahn cruising than the long-legged Rover 3500.

The Car of the Year award scheme, after an anarchic period when there were various rival trophies, has been run for the past four years by six European publications. Four are specialised motoring journals — Autovisie of Holland, L'Equipe of France, Quattroruote of Italy and Vi Bilagare of Sweden. The other two are Britain's Sunday Telegraph Magazine and Stern of Germany.

But the choice depends on the opinions of a panel of 49

motoring writers who award points to the group of cars considered to be eligible for the contest. This year there were 17 entries, some of which gained no points at all.

To be eligible, a car has to be substantially new, though the use of an engine from a previous model is allowed, 1976 winner and runner-up. A face-lift won't do, which was why the new Cortina was not considered for the award.

In the recent past, motoring writers have come in for some stick from the public. They have been said to have been out of touch with motoring realities, given to excessive enthusiasm for machines beyond the reach of all but a tiny minority and to knocking cars bought by the multitude because they don't measure up to supercar standards. There is something in this.

Some continue to laud three-figure maximum speeds and standing start acceleration times obtained by dropping the clutch at 5,000 revolutions per minute in first gear. This sort of thing is unreal when there are few places left where 80 mph can be legally exceeded and petrol is far too dear to use extravagantly.

But—and I can say this because I have no connection with the Car of the Year award—motoring writers are good at picking winners. Most of the Cars of the Year of the last decade have proved to be very much to the liking of the very important person of all, the car buyer. One, the Fiat 127, is still the biggest selling car in Europe. Another, the Jaguar XJ6, continues to be among the world's best luxury cars, regardless of price. Will the Rover 3500 now lead a European mainland renaissance for the British medium-price car? It's an encouraging thought for 1977.

# Golf

## Rye and the Putter

BY ROGER PAUL

THE PRESIDENT'S Putter is a 4-day golf tournament played at Rye in Sussex in this the first week of January, which makes it not eccentric then at least a little whimsical. It is a mid-winter exercise in combating cold and consuming Kummel, with camaraderie the inevitable and welcome result. It is, as one member puts it, a compulsive re-union of the members of the Oxford and Cambridge Golfing Society, and yet over the years it has become more than that.

There was a time when the Putter field contained most of the best of the amateurs of the day. Among its winners have been Laddie Lucas, Leonard Crawley, Cyril Tolley and Roger Wethered.

Nowadays the entry is less formidable. This year only three internationals, David Marsh, Michael Attenborough and Donald Steel entered, and only Attenborough survived the first round. But the Putter is a guide to a man's fortitude both in playing in extreme conditions, in accepting the bounces through and on the green and in surviving the social combat course that is set in places like The Mermaid, the Ship and the Hope Anchor. The latter's management, for instance, undergoing their first Putter this year, learned one valuable lesson. You can never have enough Kummel in stock: just when you think you're all right a bridge game goes on until four in the morning and everything's shot to hell.

The entry, if not formidable, is fascinating. There is the annual glimpse of the Boys Own Paper game of E. R. Dexter Lord Ted, former England cricket skipper and once a Walker Cup possible.

There is, or has been for the last 36 years, Gerald Micklem displaying an enduring swing. This year he bowed out before he was to be put to the test by Lord Justice Morton, put a surprise at him getting resolution which received unanimous support that, so far as the Society was concerned, "The years 1939-45 be reckoned non-existent." Not all the members were able to attend, of course, and Mr. G. D.

Then there is Freddie Brown, another former England cricket captain, who, in sharp contrast to Dexter and Micklem, has yet to survive a round. On Thursday night he took consolation at losing a four-hole lead and the match with joyous reflections of the England performance in India.

He told us, too, how, in the infamous 1932 bodyline series in Australia, he found himself made 12th man for the 5th time in five Tests. The series was won so he slipped the masseur a couple of quid in return for a mythical bad back and stole off to play golf.

The Putter began in 1920, and has been played at Rye every year since apart from the grisly winter of 1963 when the whole country was snowed under. The whole country, that is, with the exception of Littlestone just down the road which played host to the Putter and saw it through.

The competition was not, of course, played during the second world war, a fact duly noted at the first AGM after it, on January 16, 1946. Lord Justice Morton put a unanimous resolution which received unanimous support that, so far as the Society was concerned, "The years 1939-45 be reckoned non-existent." Not all the members were able to attend, of course, and Mr. G. D.

Roberts, KC, sent a telegram from Nuremberg apologising because of "a prior engagement with my old pal Goering," and there were other manifestations that all was not yet normal. The retiring captain, G. L. Mellin, was presented "in theory, as it has been temporarily mislaid on the railway," with a canteen of cutlers.

The weather is the constant topic and a factor in every match. Some people function better than others under three sweaters and some waterproofs but strangely the Putter has run its course in its allotted time on all but five occasions.

In 1953, 1955 and 1971 it finished one day late and in 1964 and 1967 the final was played in March, after the University match.

Indeed in 1964 they had to play the 5th round, the semi-final and final over 12, 12 and 18 holes respectively on the same day, leaving Donald Steel a slightly breathless winner. Steel has won the Putter twice, the second time in 1970, and, as a fellow golf writer, is the man who salvages our self-respect for us by actually being able to play the game.

Each winner is required to attach a ball to the Putter, itself a venerable old instrument once used by Hughie Kirkaldy when he won the Championship at St. Andrews in 1891. It was

bought by the Society's first President, John Low, who then used it to reach the final of the Amateur Championship, again at St. Andrews, and there hang on to Harold Hilton's coat-tails until the very last hole. The attached golf balls are a piece of potted golf history, ranging from battered old Silver Kings and Spaldings, through to sleek Dunlop 65s and, lately, two Titleists.

Rye, of course, is the perfect venue for an event of this type. The area survives winters better than most and the course is a hardy creature of a calibre sufficient to host the English Ladies Championship in 1970.

Then there is Rye Town itself, perched on a hill and seemingly shrivelled with age and yet entirely vigorous: full of fine shops and enough pubs selling good food and real beer to make the wintry evenings a delight.

As I write the sun is beating down strongly out of the clear blue sky, glinting on the sea now a mile away from what used to be a flourishing port. But all that means, in Putter terms, is a strong possibility of fog and frost to-night. Not that anyone is worried. It's all happened before: in any case Lord Ted's won again and the weather has got around that the Hope Anchor has re-stocked with Kummel. All's well with the President's Putter at Rye.

## Grand Prix

BRIAN AGER

JAMES HUNT must be favourite for the Grand Prix driver's championship, which begins again with the Argentine race to-morrow—but anyone who thinks he is in for an easy time should think again.

Hunt took the championship last year with only a one-point margin over Austrian Niki Lauda and the cup for the constructors was won by Lauda's Ferrari team by 83 points to the 74 accumulated by McLaren for which Hunt is number one driver.

No one can ever write off Ferrari and neither should anyone write off Lauda—who started off last season with four firsts and two seconds and threatened to run away with the championship. Having survived a horrifying accident in the German Grand Prix, Lauda was out of racing for only two Grands Prix, coming back in the Italian with a fourth place. But he did not win another race. It seems likely that he had not fully recovered from his crash injuries and will be back on form this year.

Lauda will be out to prove his critics wrong while Hunt will set out to show that his win was not just a result of Lauda's crash, so on paper it could well be another nail-biting finish between Hunt—who last year drove some fine races and survived the psychological knocks of protests and disqualifications—and Lauda who was champion in 1975.

But motor racing is not as predictable as that. Apart from the off-track hostilities which decide too many races there are two other imponderables—the cars and the other drivers. Ferrari's number two driver, Carlos Reutemann, is reckoned by many people to be potentially the best driver in Formula One. He had an unhappy season with Martin Brabham, it could be a very different story with Ferrari. Hunt's number two, Jochen Mass, who finished ninth in the drivers' championship last year, was involved in a lot of spirited racing.

However, the second man in a team is not paid to beat the number one, so it is likely to be drivers from other teams who will be pushing Hunt and Lauda.

My tip for the championship this year is Mario Andretti, the 36-year-old American who finished last year by winning the Japanese Grand Prix. This was his first full season in Grand Prix racing, having taken part and won in almost every type of motor racing in the U.S. calendar. If 36 seems old for a potential world champion, it should be remembered that drivers in the U.S. consider they are just reaching their prime at an age when many Grand Prix stars have retired to count their bank balances.

In the case of Andretti another imponderable is involved—a new car. But he seems very happy with this March III version of the John Player Special.

Many other teams will be wheeling out new cars this season. March has followed Tyrrell with a six-wheeler, but the March version has four wheels at the rear and not at the front. BRM is also re-appearing in racing with a new car, to be driven by Larry Perkins, a 26-year-old Australian.

Renault plans to make its long-awaited Formula One debut this year, using a turbo-charged Renault V8 engine. The six-wheeled Tyrrells, which proved so consistent last year, will come under the scrutiny of the team's new research and development organisation. The team has lost driver Jody Scheckter, who has moved to Walter Wolf Racing, but has

gained another potential race winner, flying Swede Ronnie Peterson. As the team already has Frenchman Patrick Depailler, who must figure in anyone's Top Ten list of Grand Prix drivers, Tyrrell must be looking forward to another good season.

Clay Regazzoni, who finished fifth in the drivers' table last year, has been discarded by Ferrari and has moved to JPS Lotus.

Like many other drivers, including Britain's John Watson, he is capable of winning races, but it will be surprising if this year's champion does not belong to the top four teams—Ferrari, McLaren, Tyrrell or JPS Lotus.

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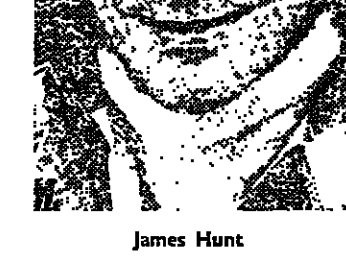
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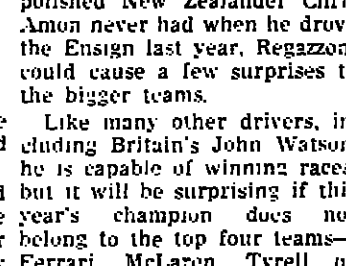
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James Hunt



Niki Lauda



Morris Nunn's Ensign outfit. With the sort of luck which polished New Zealander Chris Amon never had when he drove the Ensign last year, Regazzoni could cause a few surprises to the bigger teams.

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## Skiing

ARTHUR SANDLES

THE MULTIMILLION circus that is now the World Cup skiing series moves to Garmisch-Partenkirchen this week-end for probably the most significant few days of racing of this winter. Garmisch, with its much amended courses, is the setting for the 1978 World Championships which are second only to the Olympics in prestige, and the top skiers will be eager to get the feel of the place.

These top skiers will include four from Britain, which was why the British senior championships in Val d'Isere, this week-end, have been run in the absence of the best British champions. The Ski Federation decided wisely enough that our best competitors would be better off getting world-cup experience, and possibly better FIS points, in Garmisch than

simply proving to the home crowd once again how good they were. Thus Konrad Bartelski, Alan Stewart, Valentina Iliffe and Fiona Eastdale find themselves in the awe-inspiring company of Ingemar Stenmark, Franz Klammer, Anne-Marie Froell-Moser and Abbi Fisher in Garmisch.

The British downhill championships, by the way, were won by Peter Fuchs, the U.K.'s fourth-ranked male skier (Stuart Fitzsimmons the No. 3 is still recovering from injury), and Hazel Hutcheon, our third-ranked downhill woman.

Fuchs confirmed his U.K. title by winning yesterday's slalom and Miss Hutcheon's third place, by the time the complicated mathematics are completed, have done the same for her.

Also yesterday Austria's Anne-Marie Moser moved to the top of the women's World Cup ratings with a downhill win in Berchtesgaden (West Germany). She beat Marie-Therese Nadig (Switzerland) and Germany's

Irene Epple. Valentina Iliffe did better than expected to finish 5 seconds behind the winner's time of 1:20.55. To-day sees the World Cup men's downhill, with the two giant slalom runs on Sunday and the women's downhill on Tuesday. While the British will be watching for a continuation of the steady improvement in our team, the rest of the world will be more interested in whether last year's cup winner Ingemar Stenmark of Sweden is really back on form. Stenmark had a slow start to the season and much of the early pace has been made by the Italians, notably Piero Gros, Austria's Klammer, and the Swiss Heidi Hemmi.

However, just before Christmas at the World Cup meet in Lenzerheide, Switzerland, Stenmark was back on his spectacular best in his second run in the slalom. As a result of that win Stenmark starts this week-end second to Gros in the Cup ratings, followed by Hemmi and Klammer.

By last evening, after a day of downhill racing in which the top

very good times, the Swedish are early days, with more than 20 races yet to come in such scattered resorts as Heavenly Valley, Idaho, and Furano, Japan. The British, of course, cannot afford such long haul trips and must confine themselves to European courses.

Apart from experience the British are after FIS ratings, rather than World Cup marks. The FIS (Federation Internationale du Ski) points system was devised by the British and gives every top class skier a rating in much the same way as a golfer has a handicap. The ratings are based on times in races. Two wins in a top race give you a 0.00.

When Brigitte Habersatter picked up a 0.00 at Zell am See in the World Cup downhill in December, for example, Valentina Iliffe of Britain came in 35th and had a FIS rating of 39.76. Her rating last season was 29.45. The World Cup qualifying rating is 50 FIS points for women in all events, so she is well within the limits. For men it is 30 for the downhill and 25 for the Slalom

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## Racing

DOMINIC WIGAN

BANLIEU, an inmate of David Morley's highly successful Bury St. Edmunds stable, can gain his third success of the campaign provided that to-day's 6.45 a.m. inspection at Sandown gives the go-ahead to racing.

One of the most improved young chasers in the country Banlieu has run well on each of his four appearances this term and to-day's race, the three miles, five furlongs Anthony Milmay-Peter Cazale Memorial Chase, seems made for him.

An impressive eight-lengths winner on his seasonal debut here towards the end of October, and winner by the same margin at Newbury early in November, Banlieu has since run particularly well to be placed behind more experienced rivals in the Hennessy and in Nottingham's Stan Mellor Cup.







# How to spend it

## A NEW LOOK AT FINE FOOD

For some years now many people have felt that a new approach to food was needed. Too much meat and dairy products, cooked in rich sauces, began to seem neither healthy way to eat nor socially acceptable in the more austere years of the seventies. Jacques Manière is a Parisian chef who believes firmly in simplicity without loss of pleasure. Here BEATA LEVY, who lives in Paris, interviews him and culls some of his favourite recipes or our readers.

THE NEED for gastronomic simplicity has been in the air since the early sixties—erics of farm have been mounting from october and dieticians to whom it is quite obvious that most people were equating the idea of eating well with eating too much. The sensible ideal of 3,000 calories per day is surpassed by all income groups. In other towns and countries, and much of the excess is composed of sugar and fats.

Many of the wiser French chefs came to their own conclusions: they did not want an excess of rich meals to undermine their patrons' health so they decided to make their meals more digestible and lighter, while maintaining high culinary standards, and also, of course, high prices.

One of these chefs is Jacques Manière, who also owns two notoriously successful restaurants in Paris: the Pactole, 44 boulevard St Germain, Paris 5 and the Dodin Bouffant, 25 rue de la Harpe, Paris 5. He is an apostle of the "new simplified French cuisine" and maintains that the keywords are discretion, subtlety and intelligence.

Manière has been pioneering a simpler cuisine for over 15 years. As he puts it: "We were at Cholesterol and heart disease is in wait for us because traditional French recipes have become too rich for our sedentary lives." Although the new cuisine remains faithful to the basic principles of traditional French cooking, it does away with indigestible ingredients. "But it should continue to give pleasure—for what else is good cooking if not?" He explains that he is not so much interested in catering for people who want to lose weight as for those who like to enjoy a rather special meal

without having to worry about the after-effects.

Over the past decade French cuisine in some of the most influential restaurants underwent real changes. A Tournedos Rossini is now considered to be food for the nouveaux riches who like their lily gilded.

Naturally not every client appreciates the simpler cuisine for too much store is still laid on the way the dish is presented.

"If in a two-star restaurant, the most perfectly cooked fowl arrives at the table without much fuss, the usual and foolish adornment of feathers, it takes a true gourmet not to feel cheated."

Manière would like his customers to become more discriminating. Instead of fussing over decorative effects, they should pay more attention to the quality of a sauce, which he compares to the frame around an Old Master. "I prefer my Rembrandts framed."

Manière is a self-made chef. It was only 20 years ago, when he was in his early thirties, that he took the plunge and opened a modest restaurant in the suburbs. Connoisseurs discovered him there and appreciated his inventiveness: eventually he moved to the smart Boulevard St. Germain.

In his monthly programme on French television, Manière expounds the basic tenets of his philosophy. He is a great believer in steaming meat and fowl to bring out all the goodness, and only sears them slightly at the start. It was in Jacques Manière's restaurant that Parisians were first served meat, vegetables and fish steamed to bring out the visible and invisible fats, a technique which is 5,000 years old and still widely used in China.

Calves' liver cooked in that way is delicious as is Manière's



**Poularde Churchill, fowl cooked in champagne.**  
Jacques Manière has composed a dinner party menu for FT readers. Here it is: quantities are for 6.

**Smoked salmon salad**  
Leg of lamb with potatoes and broccoli (with mint butter sauce)

**Glazed apples in raspberry juice**  
**Smoked Salmon Salad**  
Slice into thin strips (à la julienne) four or five carrots and a head of celery and parboil them for no more than five minutes. Also parboil 1 lb French beans. It is important for the vegetables to stay crisp and firm. Add 1 lb smoked salmon, cut into long thin strips, and chopped fresh mint and tarragon. Mix in the following salad dressing and serve chilled.

**Salad dressing**  
Mix 1 teaspoonful Dijon mustard, 2 spoonfuls of wine (if possible sherry) vinegar and 1 spoonful of fresh cream. Whip it up and add 3 spoonfuls of groundnut oil and 1 of walnut oil. For readers who may be worried by the mention of cream Jacques Manière says that cream is lighter, has fewer calories and is more digestible than olive oil. It also helps to bring out the flavour of the other ingredients and helps blend them well together.

**Lamb**  
Without using any fat, brown both sides of a leg of lamb, 10 minutes on each side. Then place in a dish (a roasting pan will do) over a sauceman of lightly boiling water with a lid on (or seal with foil) and steam it for 67 minutes per lb. The broccoli can be added to cook with the meat. When the time is up, remove the lid and leave the meat for 20 minutes. It will then be hot, cooked to the rosy

perfection the French prefer and ready for carving.  
The potatoes need not be peeled. Just wash and steam for about 25 minutes. Serve cut through the middle with the mint butter sauce.

**Mint Butter Sauce**  
Shred a handful of fresh mint. Gently simmer a few finely chopped shallots in a sauceman in butter. Add mint and continue to simmer for a few more minutes. Add a tablespoon of whisky and flambé it. Add half a cup of melted butter and a little salt. Keep beating well all the time until the sauce is a smooth, creamy consistency. Serve straight away or keep warm over hot water.

**Glazed apples in raspberry juice**  
Core any hard apple such as a Granny Smith. Cut into quarters and steam in raspberry juice until most of the liquid is absorbed and the fruit coated with the sweetened juice of the berries. The fruit must remain intact and not be cooked into a pulp. This works equally well with figs and pears. Serve chilled.

Jacques Manière also gave me some more of his recipes. Here is Stuffed Cabbage (serves 6-8). One medium sized white cabbage; six carrots; 12 small onions; one small heart of celery;

chopped parsley; 250 grams of spinach; four tomatoes or concentrated purée; 1 litre of bouillon; one small glass of dry white wine; one heaped spoonful of flour; two eggs; 150 grams of sausage meat or any leftovers of meat, minced; one cup of crustless bread soaked in a little warm milk; one bouquet garni; an onion with two cloves stuck in it; 30 grams of fat (oil and butter). Cut carrots and celery into small pieces. Parboil all the vegetables and leave to drain. To make the stuffing: Press the liquid out of the cooked spinach, then chop it and put into a mixing bowl. Add the beaten eggs, the bread, meat and parsley. Mix all the ingredients together and season to taste. Now add half the carrots and all the celery. Mix well. Blanch cabbage and remove leaves carefully and use a little of the stuffing. Tie each one up neatly into a little parcel, using string, then sprinkle with flour. Brown the onions in a large casserole dish, then add the remaining carrots and tomatoes. Brown each little stuffed cabbage leaf carefully for a few minutes either side of a small flame. Then add the bouillon, wine, bouquet garni and the onion stuck with cloves. Cover and let simmer for 1 1/2 hours.

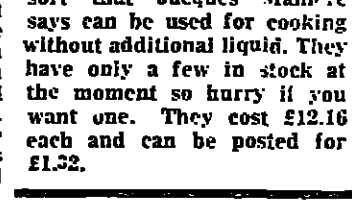
**Fruit Salad**  
Thin redcurrant or raspberry jelly with Cointreau or blackcurrant syrup, if need be over a small flame. Pour into a salad bowl. Now peel the fruit. Apples first, then oranges, pears or any other fruit in season. Add salt and sugar soaked in Cointreau or blackcurrant juice for two hours. Mix the fruit carefully and leave for one hour. Before serving, sprinkle with walnuts.

The following recipes are low in calories.  
**Mussels—à la Moutarde**  
In a glass of white wine, add 5-6 chopped shallots and cook until soft. Add 2 ounces of mussels which have been scoured and washed carefully. Add a dash of pepper, chopped parsley, 1 teaspoonful of fat-free yoghurt and the same of curry powder. Shake the sauceman from time to time, tossing the mussels, which should open 45 minutes later. This means that they are cooked. You now place them on a serving dish. Reduce the sauce by 1/2, thicken with the mussels and serve with chopped parsley. (This only gives 90-100 calories per serving.)

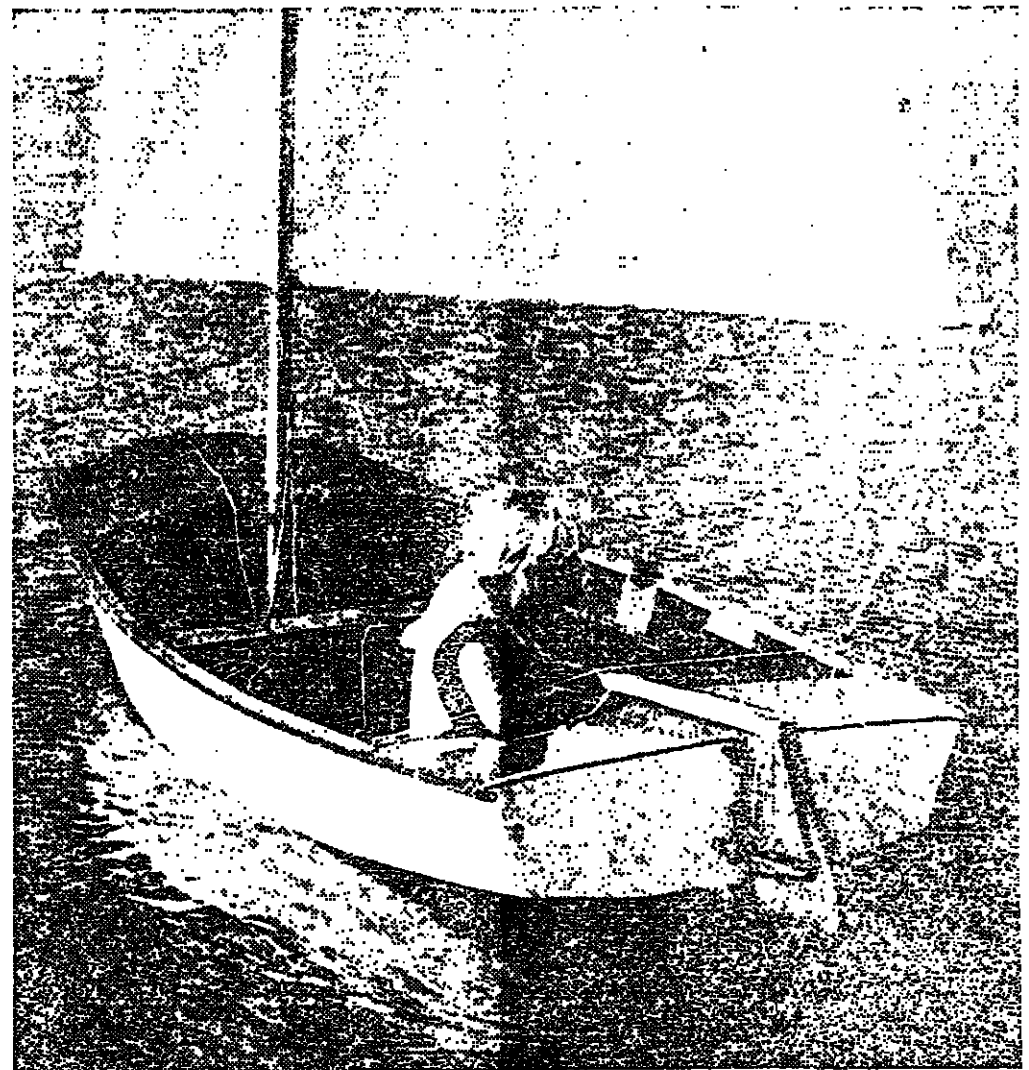
**Kidneys with marrow and garlic purée**  
Steam 4 heads of garlic for 15 minutes. Slice them or use a mortar to obtain a purée. Add chopped parsley, salt, pepper and 100 grams of white fat-free cheese.

Steam the marrow for 10-15 minutes until cooked.  
Brown the kidneys quickly for a few minutes on either side. Then continue cooking in same pan for 5 minutes with the lid on, and for another 4 minutes without. While the kidneys are cooking, place the marrow in a fireproof dish, cover with the puréed sauce, place in a preheated oven for a few minutes until the kidneys are ready. Then serve.

**A fat-free salad**  
Dressing: 1 carton of fat-free white cheese; juice of 1 lemon; a little French mustard; 2 table-spoonfuls of mineral oil; 1 of walnut oil. Blend well and pour over a salad made up of a few spinach leaves, grated carrots, chopped celery and parboiled French beans.



**Divertimenti, 68 Marylebone Lane, London W1** sells an 8-pint Couscous pan of the sort that Jacques Manière says can be used for cooking without additional liquid. They have only a few in stock at the moment so hurry if you want one. They cost £12.16 each and can be posted for £13.2.



WHEN Christmas has gone the travel supplements appear and travel supplements stir up thoughts of summer. For those who find the waiting tiresome a good, constructive way to look towards the summer might be to make a boat. Jack Holt is perhaps one of the more famous of our living dinghy designers and the Mirror Dinghy which he designed some years back has become an established classic.

Over 52,000 models have been sold, in kit or complete form. The Mirror Dinghy was designed primarily as a family boat, in which father could take out his children and on which older children could learn to sail. It is sophisticated and sturdy and could almost be used for ocean sailing.

Last year, though, Jack Holt introduced a new dinghy, the Bumble Bee, and this one is designed essentially for children who want to learn to sail. It's deliberately a little uncomfortable for adults. It's very simple to sail and children don't need to be too strong to be able to control it. You can put

it on top of the car or the caravan and take it wherever you happen to be going.

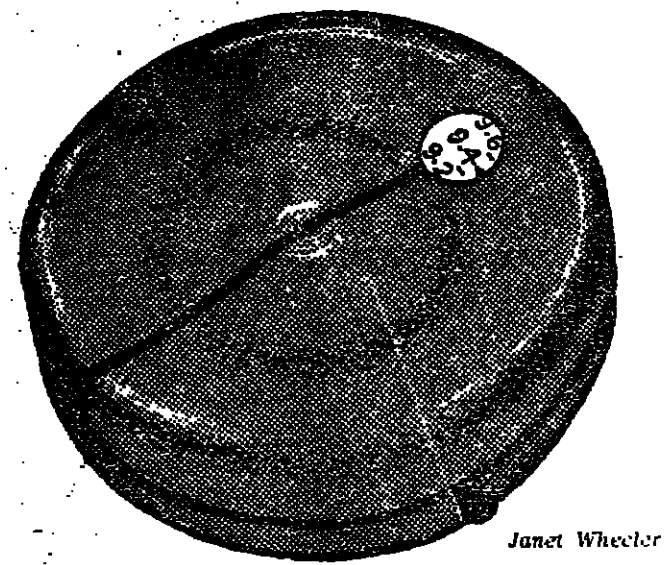
When ready-made the boat is 8 ft. 5 ins. long and will take two children easily or one child with an adult. She weighs 30 lb unrigged and can easily be launched by children.

If you want to make it yourself you can buy it in kit form from Jack Holt Ltd., The Embankment, Putney, London, SW15, for £90.00 (plus 12 1/2 per cent. VAT). It can be sent by BRS for under £3 and £5 depending on distance. In the kit is absolutely everything you require to make the boat, including masts and sails, undercoat and varnish but not the paint for the final coat (this is not included so that new owners can choose their own colour).

For those who want to see the dinghy in the wind, so to speak, it is at the Boat Show at Earl's Court, which is on every day from now until and including Sunday, January 16.

## Scale yourself down

All that eating over Christmas and the New Year has given you renewed determination to lose weight you will obviously need some accurate way of measuring your success (or lack of it). Some of the smartest, most streamlined scales that I've seen are the Teraflex range from France. This one is known as the Kiloptic and though it is usually sold measuring stones and pounds in Britain it can also be ordered in kilos. It has a good, almost sculptural finish and may be cream, brown, red, black or blue. The weight is shown lit up on the dial and it is registered in stones and pounds which avoids that dreadful peering and counting up the



Janet Wheeler

the reading of most scales involves.

The Kiloptic is £22 and is available from Plush Flush, 27, Sackville Street, London, W1 (p+p £1.50) and from Harrods of Knightsbridge, London, SW1.

For those who want to lose weight and need scales but don't want something quite so expensive Boots shops have a big selection of much cheaper scales, starting at £2.95 while their luxury version is £6.45.

## Chess

**ANATOLY KARPOV**, the world champion, staged a fine recovery to win the USSR title for the first time in Moscow last month. Since winning the world title by default from Bobby Fischer in April 1975, Karpov has now taken first place in Ljubljana, the USSR team championship, Milan, Skopje, Amsterdam, Montilla-Moriles and Moscow. His only setback came in the Marlboro Kings tournament in Manila where he was beaten by sprint distance and an early loss to the Philippines champion Torre.

This latest result is the world champion's most impressive performance yet. The entire USSR up grandmaster guard took part with a season of dangerous up-and-coming younger players. Each fresh impressive success by Karpov undermines the still-ferment claim of Bobby Fischer to be the true king-size of world chess. Fischer's discus-

sions in Tokyo and Seville with Karpov over a possible non-title match apparently broke down, principally because of the American's continued insistence that the match should be of the timeless test variety with no upper limit on the number of games.

Fischer has refused to play in the new round of world title candidates matches which starts next month, while FIDE has overcome the most awkward hurdle in staging this series with the announcement that the grudge quarter-final between Petrosian (USSR) and Korchnoi (USSR defector) will start in St. Moritz, Switzerland, on February 20.

The point is that time is not on Bobby Fischer's side. No further discussions on a Fischer-Karpov match can now usefully take place until the official candidates series and the 1978 world title match have run their course; but by 1979 Fischer will already be 36 years old and approaching the end of the peak period of a chess master's powers, which generally runs from 25 to 40.

Karpov, as usual, proved out most of his wins in the USSR championship by patient strategy going into the second session. So no Karpov game this week, but here is one of the championship brilliancies.

White: V. Smyslov. Black: K. Grigorian. Opening: Sicilian Defence (USSR championship 1976).

The opening moves were 1 P-K4, P-Q4; 2 N-KB3, P-Q3; 3 P-Q4, P-K3; 4 N-P, N-KB3; 5 N-QB3, P-Q3; 6 B-K2, P-K3; 7 O-O, B-Q2; 8 P-B4, Q-N2; 9 P-Q4, P-QN3; 10 B-B3, B-N2; 11 Q-K2, P-K4.

A positional colander. Black tries to shut White's KB, but concedes the key light squares in the centre. Simply B-K2 and O-O is correct.

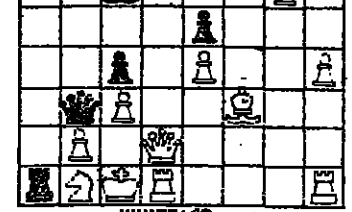
12 N-Q3, N-N3; 13 P-N3, P-N3; 14 N-B6, B-N2; 15 P-NP, N-P; 16 N-N, B-N; for P-N; 17 P-Q6; 17 B-R6, P-B3; 18 P-B4, K-E2; 19 B-N4, B-B1; 20 B-B, Q-R4; (Q-B holds out longer); 21 R-P ch, K-R1 (if B-N2; 22 Q-K6 mate); 22 Q-N4!

The blunt sacrifice is followed up by a quiet move in true

Smyslov style. Black cannot adequately stop the mating threats by Q-K6 or R-B1 ch.

22... Q-B4 ch; 23 K-R1, K-K2; 24 B-N5 ch. Resigns.

**POSITION No. 148**  
**BLACK (9 men)**



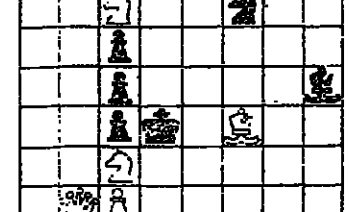
**WHITE (12 men)**

This position from Jansa v. Smekhal, East Lithuania 19th, originally appeared as position 143. The verdict was that 'white (to move) is losing after 1 P-P ch, K-NP; 2 K-R1 ch, K-E2, when he is out of checks while Black threatens Q-R7. The game finish was 1 Q-R6, Q-NP ch; 2

K-R1, R1-R7 ch; 3 K-B1, B-R6 mate.

Reader T. G. Wood (Knutsford) has defeated this analysis with a clean-cut win: this week's puzzle is to find what grandmaster Jansa and several chess columnists all missed.

**PROBLEM No. 148**  
**BLACK (7 men)**



**WHITE (6 men)**

White mates in three moves at best, against any defence by A. Marinick, del Lifye 1910.

Solutions Page 2  
**LEONARD BARDEN**

## Bridge

**GOOD DEFENSIVE** play entails hard work, against which the lazy element in human nature rebels. This is why there are fewer expert defenders than expert dummy players. Victor Mollo's new book in collaboration with Aksel Nielsen,

**Defence At Bridge** (Faber £4.50), if you study its interesting hands, will force you to do the work which you might otherwise shirk.

We will start with a part score hand:

N.	E.
♠ 9 6	♠ 8 5 3
♥ A 8 2	♥ Q 7 4 3
♦ A 10 6 4	♦ K 9 8 2
♣ K J 7 5	♣ A Q
W.	E.
♠ K 10 2	♠ 8 5 3
♥ K 10 9	♥ Q 7 4 3
♦ Q 7 3	♦ K 9 8 2
♣ 10 9 6 4	♣ A Q
S.	
♠ A Q J 7 4	
♥ J 6 5	
♦ J 5	
♣ 8 3 2	

With East-West vulnerable, North dealt and bid one diamond, South replied with one spade, and said two spades over the opener's rebid of one no trump.

West led the ten of clubs, dummy played the Knave, and East won with the Queen. After cashing the club Ace, East re-

turned the Queen of hearts. Winning with dummy's Ace, the declarer returned a trump to the Ace, and then led the Knave. How would you defend with the West cards?

The original West won with the King, noting his partner's peter in the trump suit, which indicates three cards and a desire to ruff. Resisting the temptation to return a club at once, he led the Queen of diamonds, a play which for the moment locked the declarer in dummy. A diamond from the table allowed East to make his King and return a heart for West to make two tricks. Then at last West gave his partner the club ruff, and now the fourth heart from East promoted West's ten of trumps. By this superbly timed defence the contract was defeated by three tricks.

The double Deschappelles Coup—each defender leading an unsupported honour to create an entry in his partner's hand—is a rarity, which cleverly won top score in a Pairs Tournament.

Partnership co-operation is the secret of good defence, as we see here:

N.	E.
♠ Q 10 5 2	♠ K J
♥ A 7 4 2	♥ Q J 3
♦ K 8	♦ K 10 8 5
♣ 7 6 3	♣ A Q J 7 5
	♣ 9 5 4 2
W.	E.
♠ K J	♠ 8
♥ Q J 3	♥ K 10 8 5
♦ A Q J 7 5	♦ 10 9 6 3
♣ Q 10 8	♣ 9 5 4 2
S.	
♠ A 9 8 7 6 4	
♥ 9 6	
♦ 4 2	
♣ A K J	

At love all South dealt and bid one spade, and West overcalled with one no trump, a bid which announces the strength of an opening strong no trump. North doubled for penalties, but West rescued himself into two diamonds. North raised his partner's spades, and South went four spades. Now study the great consideration which East showed for West.

When West led the heart

## Double your yoghurt

Some readers may remember my writing about the Deva Bridge yoghurt kit last January—indeed many of you will still be using the kit you bought as a result of that article. I liked it because it used a particularly simple—but very effective—method for making the yoghurt. Instead of using some kind of electric device to maintain the temperature at a given level the Deva Bridge method relies on the milk being heated and then put into a vacuum flask which maintains the mixture at the right temperature for the bacteria that make the yoghurt.

The flask that Deva Bridge sold last year was big enough to produce about 1 pint of yoghurt. However, they now feel that so many more people are learning to like and to use yoghurt in more and more ways that they have brought out a jumbo-sized model which will make a litre (nearly 2 pints) at a time—this would be equivalent to about 7 or 8 shop bought cartons.

The method is identical—you simply heat ordinary cows' milk, slimmer it for a few minutes.



cool to the temperature indicated on the thermometer, mix in the jar with 2 spoonfuls of yoghurt, seal, wait for five hours and the yoghurt is ready. This kit looks much like the last one—it has an insulated jar, obviously larger, which may be blue and cream or red and cream, and it costs 68.45 plus 75p p+p direct from Deva Bridge House, P.O. Box 5, Stowmarket, Suffolk.

## Sales for the discerning

ON THE whole the bulk of sales items bought is of fairly unexciting essentials or clothes that are not very fashionable but are relatively useful. However, there are a few exclusive shops whose sales become well known to their regulars who patronise them without fail. So this week here is a small list of the sort of places where all of us on the How to Spend It page would like to be able to afford to shop regularly, but as we can't we live in hopes of finding some amazing bargains in the sales.

**Aram**, Designer, of 2, Kean Street, London, W.C.1, has a sale strictly on of very high-quality lights by the Italian firms of Flos and Arteluce as well as some lovely tables and leather sofas. A chance to buy first-class furniture at reduced prices.

**January 5**  
Feathers, 34 Kensington High Street, London W8 and 50 Hans Crescent, London SW1.

Some model clothes, reduced—Suzzy, Aujard, Bill Gibb—as well as lots of knitwear and separates reduced by 30 to 35 per cent.

**January 6**  
Bazaar of 24 Brook Street, London W1

**January 7**  
Bazaar of 30 Heath Street, Hampstead and 6 Duke Street, Richmond-upon-Thames

Bazaar shops specialise in sophisticated ethnic ware—no tatty drooping numbers but high-style that is both colourful and expensive. In their sale they will have quilted coats for copperware of all sorts and almost everything is manufactured in England. There will be jelly moulds from £1.98, satuce-

as well as knitwear and French jackets reduced to half-price. **January 8**  
St. Laurent shops at 112 New Bond Street, London W1, and 35 and 34 Brumpton Road and Intercontinental Hotel.

They have not decided exactly what is going into the sales but promise lots of exciting reductions up to 50 per cent. These sales are for women's wear only—men will have to wait until February.

**Hardy Amies**, 22, Hans Crescent, London, S.W.1. There are many reductions of about 20 to 30 per cent. on coats, dresses, skirts, suits and jackets. Specially recommended are their cashmere sweaters reduced from £25 to £16.

**January 10**  
Affairs of Duke Street, London W.1.

This is the place for all dress-makers to head for. Their fabrics are all of the very highest quality and in the sale they will offer pure Alcantara silk, 44 inches wide, reduced from £11 to £8 a yard; pure silk georgette and printed crepes, 36 inches wide, reduced from £6.50 and £5.50 to £4.00; striped Italian silk, 52 inches wide, from £8 will cost £9.25. For those who can't get to London he will post novelty tweeds, 54 inches, reduced to £11.50 and £9.50.

**Turnbull and Asser**, 71 Jermyn Street, London SW1 specialises, as almost every Londoner knows, in really exclusive, expensive-looking shirts. The annual sale starts at 9 a.m. and the stock is always gone so fast that by 2 p.m. it's almost over—their early or do not butter. There will be shirts in all sizes in self-cotton and with reduced in varying amounts.

**ADEPTUS BEDSIT**

1. Accommodation for one or two persons.  
2. Fully equipped kitchen with sink, stove, refrigerator, and cupboards.  
3. Bath, shower, and toilet.  
4. Heating, electricity, and gas.  
5. Close to public transport.  
6. Price £200.00.  
7. Contact: 01-462 5522.



# Property

## So far and yet so near

BY JUNE FIELD

IN A recently published Brighton Visitor Survey it was noticeable that visitors from overseas were far more appreciative of the town's special architecture than those from our own shores. Chief attractions were the simple fishermen's old bow-windowed cottages which now make up the famous antique shopping centre known as The Lanes, the more grandiose Royal Pavilion, the Indian Moghul-style home of George IV, and the nearby Dome, one-time stables of the estate.

We obviously do not realise how fortunate we are in having so many well-documented and preserved historic buildings; that we are just as well off in the lesser period pieces is shown by some of the current crop of property for sale.

Barton Manor, for instance, tucked away in a private lane on the outskirts of Nyetimber, about six miles from Chichester in West Sussex, has a long pedigree. Believed to be the oldest inhabited house in England, listed Grade II, it contains a fair-sized Chapel of the 12th century, plus a most ancient room, now used as a dining room, where one wall reveals the original construction of herring-bone stonework with flint, reputed to date back to Saxon times or a little later.

There is also the outline of a rounded door or window in stone, that may have been shaped by a Roman chisel. It has been suggested that the building is either a unique specimen of a Saxon Hall, or was the Lord's private room attached to a bigger hall, the foundations of which have been discovered outside.

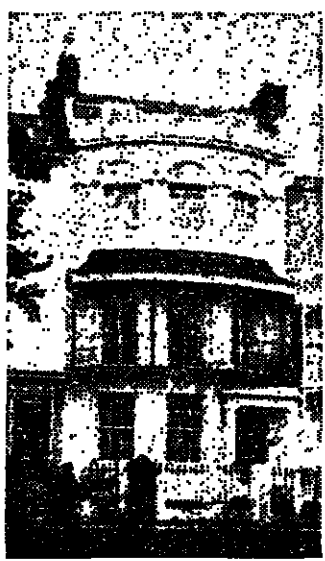
Barton, originally Bere-tun, meaning a barley farm, was a name later used to indicate an outlying farm of the manor, where the Lord's crops were stored. The Lord in this case being the Archbishop of Canterbury. The manor was eventually leased to farmers, and when in due course it became a possession of the Crown, Queen Elizabeth granted it in 1560 to an Edward Darell, Clerk of the Queen's Caterly. In 1902, a Mr. Fletcher "modernised" the house giving it a vicarage look. In 1973 the present owners gave the house the full treatment, installing central heating, new wiring and so on. The



accommodation is manageable—3 living rooms, 4 bedrooms, 2 bathrooms—and the price is £49,500 complete with the chapel, now used as an artist's studio, greenhouse, vegetable garden and double garage. Illustrated details Nicholas Neal, Wyatt and Son, 59 East Street, Chichester.

Also in West Sussex, in Worthing, one of the few bow-fronted Regency houses left in the town has come on the market again. In a reasonably well-preserved terrace, near the Connaught Theatre, just off one of the main shopping centres, 14 Ambrose Place was originally restored with no expense spared (black bath, gold-plated taps, concealed lighting etc.), by playwright Harold Pinter in 1962.

After three years it was sold to a dentist, and in August, 1973, I wrote about it when a local solicitor snapped it up after it had only been on the market for a few weeks. This was just at the tail-end of the boom, and the figure quoted then was "somewhere near the £40,000 mark." (Incidentally, digressing, in this same article I see that I described a country house I had seen in West Chiltoning for sale at £48,000.



This same house has just been sold for well under £10,000 less than the original figure.) The owner at Ambrose Place now wants to move to something smaller, and the house, which is really quite a Regency gem with its pretty canopied balcony and handsome wrought-iron railings and long sash windows, is being offered at £39,950 after an initial "testing the market" price of £45,000.

Above, Bargains abound in medium sized well appointed country houses. The above, known as "Dunloe House" is for sale for around £60,000 through the Wimbourne office of Savills. This Georgian building is set in a secluded walled garden close to Fordington Green near Dorchester. Listed as of architectural importance it has been carefully modernised. Accommodation includes three reception rooms, five bedrooms and garage block.

Left, One of the few bow-fronted houses left in Worthing, 14 Ambrose Place in a terrace in the centre of the town, was originally restored by Harold Pinter in the early 1960s. Now it is for sale at £39,950, reduced from £45,000, through C. G. Spratt, 70a Brighton Road, Worthing.

Most of the fitted carpets and curtains are included, and there is central heating. The house is scheduled of historic interest, and in a Conservation Area (a recently formed Worthing Civic Society keeps a watchful eye on the few character residences still standing, as in common with so many other Regency towns, until fairly recently when conservation became fashionable, demotion was the name of the game so far as the local council was concerned).

The manageable accommodation is on three floors plus a hall floor and semi-basement, adding up to four beds, three baths, four sitting-rooms, main kitchen with wall-oven and dishwasher included, double garage, etc., and the unusual feature of a little garden across the road as well as a pretty one behind some old flint boulder-stone walls at the rear. Agent C. G. (Jack) Spratt, 70a Brighton Road, Worthing, will send more details.

Saltford Manor, Saltford, five miles from Bath, off the A4 towards Bristol, has a date-line between 1154 and 1166 on it. The story here is that it was originally a rectangular two-storey house, later extended by a Tudor east wing. Special features are the early buttress and corbel work, outstanding Norman perpendicular and 17th-century fenestration, plus a full quota of original oak timbers. At the time Domesday was compiled, the manor was held by Geoffrey the Bishop of Coutances. Later, Earl Robert of Gloucester—one of the bastard sons of Henry I, who married the heiress of the Gloucester estates—became the owner. His son founded the Augustinian Abbey at Keynsham.

The house was modernised after the last war, and hidden artistic treasures were found. The smart-looking brochure issued by Crisp Cowley and Co., York Street Chambers, New Abbey Churchyard, Bath, implies that a fortunate new owner might discover others! Only the west wing of the manor is for sale, and offers for the unusual and spacious accommodation (the ground floor has a great deal of panelling, the first floor is arranged as two s.c. suites, and the second floor is a s.c. flat, so it needs to be viewed to get the full flavour) are being looked for in the region of £25,000.

The same agent has the elegant Daubney House overlooking the pretty village of Rode, beyond the narrow coaching bridge and up the hill. You take the M4 from London, or Bath Spa station is ten miles away. John Cowley is the partner who is promoting it and he calls the property a



Daubney House in the pretty village of Rode, near Bath, has the family coat-of-arms over the door. £38,500. Illustrated brochure Crisp, Cowley & Company, York Street Chambers, New Abbey Churchyard, Bath.

reasonably priced Georgian house at £38,500. An impressive looking place, with ecclesiastical windows (curved panes at the top of the sashes) you are certainly being offered plenty for your money.

There is an imposing entrance hall with flagstone floor, the Daubney coat-of-arms carved in stone over the porch, nine bedrooms, two bathrooms, walk-in heated linen room, apple store in the cellar, 1-acre grounds with kitchen and herb garden, orchard and greenhouse.

The house is a bit of an enigma architecturally, because it was believed originally to be a farmhouse, and has many Queen Anne features. The ecclesiastical touch comes from Archdeacon Daubney (1745-1827), from which the house gets its name. He was a well-known Anglican preacher who converted the property into a rectory in the early 1820s, simultaneously building the new church which is beyond the western boundary of the house. It is obviously a country gentleman's residence, with backing from the village, hunting with the Avon Vale, fishing stores, containing round-headed windows. Interior has a very good staircase of the period, and particularly good 18-hole courses in the area.

and plenty of unspoilt countryside to walk in. My final period piece is a sad story, and I do not know the whole of it. Driving by a modern housing estate outside Newport in the Isle of Wight, I noticed a large Georgian house set almost in the middle. Stylish still, it was a sorry sight, many of its windows blackened, boarded and boarded. Research through the county architect, C. D. Webster of the IOW County Council, revealed that it was thought to be built in 1780 for Benjamin Cooke, a surgeon; various 19th century directories show that Cooke was living there then, and in Kelly's for 1831 a Mrs. Russell Cooke occupied the house.

Parsons mentions it, albeit without naming it, as a good Georgian house of yellow brick, four bays, with a lower three-bay addition, a two-bay pedimental gable, and in a segmental lunette with a fan motif. Listed, the DOE description is equally glowing: "Very fine circa 18th century mansion in grounds, 2 storeys... garden front has an elegant oval central bow through both Peter Pan's Playground, is in the Wyle Valley, Chew Valley Lake and nearby rivers, sailing at Shearwater/Longleaf (11 very good staircase of the period, and particularly good contemporary decoration in the

Postscript: I found a similar story in Worthing, and there must be many others round the country. The once delightful Regency dwelling, Beach House, non-domestic use too, and a Council are anxious to find someone who will take it over and spend money on restoration. Money? Aye, there's the rub.

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playroom and a staff flat on the second floor. There is extensive storage space, a dry cellar and a double and single garage. The detached Tudor-style Coach House provides two receptions, four bedrooms, two bathrooms and a double garage. It has full central heating. The Croft cottage is a charming detached bungalow set in a corner of the grounds with road access and parking.

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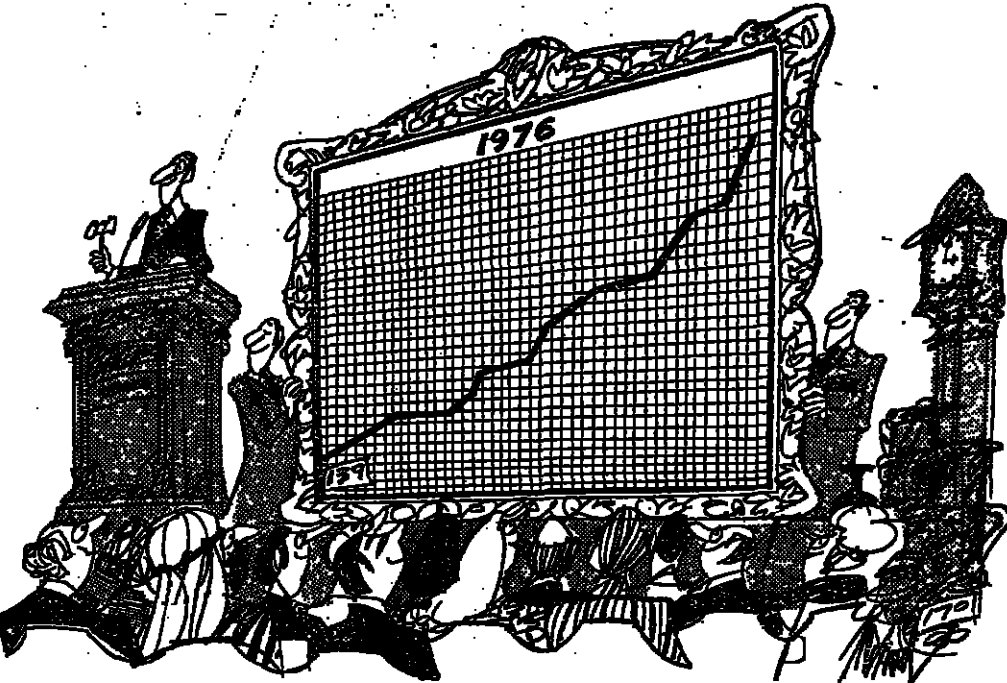
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## Collecting Helping hands



London, still one of the cheaper places to sell

IT IS not all that difficult to be realised more than £14m. and established this twice-yearly break price records in economic circumstances like the present; and it is hardly surprising that the London salerooms can report turnovers for the autumn season a third up on the same period of 1975. Sotheby Parke Bernet's worldwide turnover of £43,022,000 is slightly more than 33 per cent up, while Christie's £21,210,000 is 33.4 per cent up. Phillips does not separate a figure for the autumn season, but says that during the period turnover has risen by 39 per cent. Over the whole year, Phillips' turnover of £18,086,000 represents an increase of 36.5 per cent over 1975.

Christie's explains its results in part by the increased number of sales—124 per cent more than in autumn 1975. Phillips continues to attribute its successes to a combination of the rapid sales service it offers, and the fact that it stood out against the buyers' premiums introduced last year by the other major London salerooms.

Along with its end-of-year report, Phillips has for the first time produced, in consultation with 40 experts at its various branches, an analysis of the market in 1976, and a prognosis of "Pacemakers to watch in 1977" and "Items which should continue to be a good hedge against inflation."

For those who are inclined to see this heavy foreign buying as a pillage of the British antiques market, it may be comforting to realise how many goods are still sent from abroad for sale in London. Even with the buyers' premiums, London remains one of the cheapest places to sell, and has retained its domination of the international art market. Thus Christie's reports that more than 40 per cent of the total goods sold at King Street in 1976 came from abroad. In Sotheby's major sales of Impressionist and Modern Paintings, Watercolours and Drawings and Contemporary Art on November 29 and December 1 and 2, foreign consignments represented 70 per cent of the record £4,773,365 total realised.

Phillips' prognostications on "pacemakers to watch" and "good hedges against inflation" make interesting reading, though in principle it is dubious to overlay and decorative glass, pretty Victorian paintings, and of course Persian rugs and works of Islamic art (Sotheby's second Islamic week in Novem-

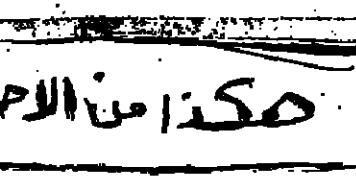
chances are that you are going to make the best investments that way in any case; and you'll get enjoyment out of the goods into the bargain, thus managing to have your cake and eat it. You are most likely to come unstruck when you buy something simply because you believe or have been told it will increase in value.

Still, a lot of Phillips' predictions look safe enough: quality English and Continental furniture, Georgian silver, good bronzes, good clocks and watches, fine diamonds and jewellery of rarer stones, such as alexandrites.

Clearly those areas of the market which have been suddenly rocketed up by current tastes of foreign buyers are likely to prove capricious; and Phillips' experts are not recommending as investment much in the way of goods with a Middle Eastern appeal, apart from Persian rugs.

Other recommendations include early British postage stamps, Victorian cookery books, Galle glass, early metal toys, Old Master drawings and prints. Good modern British art is generally underpriced. In the £500-£2,000 area, Phillips advise good travel and exploration books, Art Deco bronze and ivory figurines, Oriental swords and sword fittings, Fabergé, good quality Worcester, Minton and Coalport vases decorated by notable artists, finely engraved commemorative glasses, Old Masters and fine 18th century engravings. Over £2,000 you are advised to invest in cameo glass, fine Netsuke, later 18th and 20th century repeating watches and pocket chronometers and, again, Old Masters.

JANET MARSH









HOME NEWS

N-East challenge over devolution

BY KEVIN DONE IN NEWCASTLE

THE GATHERING anti-devolution campaign launched its first organised broadside yesterday with warnings from a Scottish MP that Britain must choose between the stark options of remaining one country or becoming a "Balkanised island" confronting a "commercial and industrial chaos."

Builders forecast gloomy year for private homes

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

PRIVATE HOUSE builders expect to start work on 103,000 homes this year. This is fewer than during the last recession in 1974.

New poll challenge to Ulster parties

BELFAST, Jan. 7.

POLITICAL PARTIES in Ulster, who have already been asked by the peace movement to drop their sectional interests, are now being challenged by an organisation of community groups.

Business failures top 2,300, the highest since 1971

BY JAMES McDONALD

BUSINESS failures in 1976 were the highest for five years, according to figures yesterday from the Trade Indemnity, which underwrites credit insurance business and collects overdue accounts for its policy holders.

Fraser Ansbacher director denies resignation report

BY MARGARET REID

MR. GERALD JAMES, one of 18 people involved in the cut-back at Fraser Ansbacher, the merchant banking concern, said yesterday that he had not resigned, had not been consulted about statements on his departure and was taking legal advice.

Few knew Spydar secrets, QC says

FINANCIAL TIMES REPORTER

THE ACCOUNTS of Spydar Securities were kept so secret that details of its share-investing scheme for Far East executives of the Slater Walker group were known only to a limited number of carefully selected people, it was claimed yesterday at the resumed extradition hearing at Horseferry Road, London.

Call for aid on bacon supplies

BY PETER BULLEN

A DEMAND that immediate Government action should be taken to "save Britain's bacon," by giving aid to pig producers, has been made by farmers' representatives.

Health service cuts warning from Ennals

BY RUPERT CORNWELL, LOBBY STAFF

THE NATIONAL Health Service and other social services face a pending year in 1977 and will be hard pressed to keep up present standards in some areas, Mr. David Ennals, Secretary for Social Services, said last night.

F.T.-ACTUARIES SHARE INDICES QUARTERLY VALUATION

The market capitalisation of the sub-sections of the F.T.-Actuaries shares indices as at Dec. 31, 1976 expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the two preceding quarters. These valuations are published quarterly and are made by Extel Communications (Exchange Telegraph Group) on an I.B.M. 370 computer.

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Market capitalisation as at Dec. 31, 1976 (£m.), % of all share index, Market capitalisation as at Oct. 31, 1976 (£m.), % of all share index, Market capitalisation as at July 31, 1976 (£m.), % of all share index.

King's Cross work aims at freeing congestion

BY IAN HARGREAVES

CHANGES in track layout at London's King's Cross station will begin to free the congested area, designed to eliminate congestion and prepare the way for suburban electric and 125 mph services at the end of this year.

New schools will be vetted

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE GOVERNMENT will continue to inspect new independent schools before allowing them to register, even though it is planning to ease inspection established schools with a view to recognising them as "efficient," the Department of Education said yesterday.

Advertisement for M&G High Income Fund. Includes text: 'CAN BE BETTER THAN 13% M&G HIGH INCOME FUND'. Features a form with fields for Name, Address, Post Code, and investment options (Lump Sum, Regular Monthly Savings, Regular Monthly Investment).

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A guide to travel costs around the world

BY FINANCIAL TIMES CORRESPONDENTS

HOW PRICES COMPARE (£)

Table with columns for Country/Town, Rate of Exchange, Index, and various restaurant and hotel prices (Night Bed, 1 Restaurant, 1 Superior wine, 1 Whisky, 1 Beer, 1 Snack, 1.5 km Taxi).

The Index is based on the cost of three nights bed and breakfast, two dinners in an hotel, one dinner in an average restaurant, three bottles of house wine, one lunch in an average hotel, two snack meals, a 5km taxi journey and five whiskies in a bar.

The boom in gilt-edged

IT WAS generally remarked at the time of the pre-Christmas mini-Budget that Mr. Healey's latest proposals were likely to depress industrial activity and make the increase in private capital investment smaller than it would otherwise have been...

Long-term rates

Left to itself the market would probably push down interest rates fast. The monetary authorities are holding back the fall—Minimum Lending Rate dropped by only another 1/4 per cent. yesterday, despite very large sales of stock—partly because this makes sales easier.

Money supply

That is not to say that the latest Government measures may not have any indirect effect on business confidence, especially if some international agreement can be reached on action to reduce the risk of sudden withdrawals of overseas sterling balances and if the three strongest western economies—the U.S., Germany and Japan—take action to stimulate business and so improve the prospects for U.K. exports.

LONDON'S ROLE as the

LONDON'S ROLE as the bargains basement of Europe is graphically demonstrated in this year's Financial Times International guide to business expenses. So too is the high cost to the British businessman trying to maintain his standards of comfort abroad when travelling on business.

his bill in sterling

Geneva, beginning of the year, has also slipped back in the league table though since the data was collected in November, prices have continued to rise as a result of the devaluation.

The idea when compiling the

index is that the traveller would find a similar standard of accommodation wherever he was in the world. He would also tend to eat traditional European food, rather than experimenting with foreign delicacies and buy his usual list of necessities.

average of all the hotel prices

received), one dinner at an average restaurant, three bottles of house wine (rather than the "superior" wine quoted on the table), two snack meals (an omelette, salad and coffee where available), a five kilometre taxi ride and five whiskies in a bar.

lished as a book by the Financial

Times. Small comfort as it may be the main finding of this year's survey is that nobody loses all the time. Abu Dhabi may come out overall as the most expensive city in which to stay but it is a glass the traveller could afford to drown his sorrows in beer more cheaply than in Scandinavia.

Letters to the Editor

Housing

From Mr. A. Blake. Sir,—The housing director of Shelter in his letter of December 18 deludes himself if he imagines it is "the campaign against the Rent Act" that has scared off potential landlords. Indeed, it is the Act itself which is responsible for L.L.s, with its anti-landlords bias which leaves them helpless to control their own property, and defenceless against unscrupulous tenants whom the Act encourages to make agreements which they have no intention of honouring.

Notions

From Mr. P. Tillet. Sir,—Mr. W. S. Roe (January 5) is quite correct in pointing out that the principle of taxing national rents could just as well be applied to motor cars, TV sets, etc. as to houses, there being no clear dividing line between them. It claims that it has the support of a clear majority of Africans, and there is little doubt that this claim is justified.

Rhodesia

From Mr. J. Gibbs. Sir,—In the last few days the best news for many months has come out of Rhodesia, namely the setting up of the "Zimbabwe United People's Organisation," by Senator Chiefs Chirhan and Ndweri. The aim of the new organisation is to bring about majority rule as soon as possible in a way that is appropriate to Rhodesia. The organisation is, unfashionably, opposed to violence, and it seeks to work with rather than against Europeans.

Repayer

From The Member for Finance, British Gas Corporation. Sir,—Mr. Goodland (December 31) forecasts 1977. I find no grounds for hope whatsoever! Unfortunately, he confines his hopes, and fears, to observation and comment which would be more in keeping from a politician and not a business man.

Leadership

From Mr. R. Clarke. Sir,—Reading John Methven's "Grounds for hope" (December 31; Forecast 1977), I find no grounds for hope whatsoever! Unfortunately, he confines his hopes, and fears, to observation and comment which would be more in keeping from a politician and not a business man.

Strikes

From The Director Centre for Innovation and Productivity, Sheffield City Polytechnic. Sir,—Lord Brown (December 31) should not complain about the media ignoring the "dramatic" news from the Department of Employment. It is I have not spoken to a single person in the last few days who is not disgusted at the large number of working days lost, due to the Christmas/New Year festivities.

Hibernation

From Mr. A. Unsworth. Sir,—It does seem that the man in the street is far more conscious of the state of the country than the Government. Our worst year for strikes was not the year for which we have lost only 24m days of work. Germany and Belgium at least among our Common Market partners were at work on December 27.

Betting

From Mr. J. Wakeham, MP. Sir,—The public and the shareholders in the major betting shop companies will be asking too much of our

Leadership

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Advertisement for Lawson High Yield Fund, featuring a large '13.3%' figure and text about quarterly payments and investment opportunities.

Handwritten Arabic text at the bottom of the page.



# Fairer weather at Earl's Court

By Stewart Alexander

THE doldrums in 1974 industry has built its recovery in 1975, through cautious optimism in 1976, the boat industry is calmer and more confident than it has been for some time. Home sales are steady, exports are booming and there are signs of a new generation of boat owners to keep the wheels turning.

There is also a less easily defiable yet tangible new spirit to the industry, a new era of authority which has been run out of three troubled years hanging on by the finger nails while at the same time carrying on a running fight with the overment over credit restrictions and the punitive imposition of 25 per cent. value added tax.

Casual visitors to Earl's Court in the boat show over the next eight days will find few startling new developments except perhaps, that the famed invasion of Oxford Street by foreign buyers has found its way on to the District Line and on to the exhibition. Manufacturers have been concentrating more on consolidation than new designs and though there are some new boats, engines and electronics the only thing that has changed on some stands is the price tag.

Costs of materials, and particularly engines, have gone up more or less in line with inflation and new boat prices are up by about 20 per cent. on last year. This, coupled with strong second-hand market—again influenced by the large number of craft sold abroad—means that it is now possible to buy a boat at the beginning of the year, run it for a season and sell it at the end of the year for a technical profit in cash terms. As the flow of people prepared to commit their savings to something other than a future rainy day continues steady, a hobby with financial gain is an attractive proposition. Exports, however, have been the main platform on which the

industry has built its recovery in 1975, through cautious optimism in 1976, the boat industry is calmer and more confident than it has been for some time. Home sales are steady, exports are booming and there are signs of a new generation of boat owners to keep the wheels turning.

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offers instant boating in a manner which can easily be understood. It is almost like driving a car across the water and there are no perplexing bits of string to become tangled round wires and children's legs.

The escape to the water, still a selling point very dear to boat builders, is made in a controlled way and the new owner can go home when he likes, rather than when the wind allows him.

Dinghies, for so long the starting point of those taking to the water, have been hard hit in the last few years. Many companies have gone out of business or have drastically reduced their workforces. Apart from Lasors, which have been very well promoted and highly successful, along with the ever-popular Mirror, manufacturers have in general ignored promotions leaving the class associations and clubs to keep interest alive.

At the same time the improving network of motorways has meant greater mobility for those living in the industrialised belts and it is in these areas that potential for new sales has quietly been growing.

Unfortunately the rewards have been spread unevenly in terms of the companies picking up the business, the kinds of boat being sold and the areas in which they are used. The whole of the south coast continues to attract a growing number of boat users with the M5 especially helping the West Country. Yet the east coast is declining, and before the Clyde can properly benefit from the M6 improved facilities and moorings will have to be made available.

Although interest rates on loans to buy boats are generally high at 20 per cent. plus this is not proving a deterrent and it has been the re-emergence of the five or even seven year repayment period that has been one of the principal factors in

the mild recovery of the home market.

While this has not yet turned into a flood it has meant that cash flows and profitability have improved as the undercover price war has eased. Two years ago many builders were being forced to offer discounts as buyers shopped around for the best deal. There is still some price cutting, the need to pare profits to the bone just to keep the factory busy is no longer pressing.

Significantly, some builders are back in the position of quoting delivery dates through to the middle of next summer and one or two have even said they are already selling against 1978 production.

## Confidence

The proof of the return to confidence will be seen when the industry begins to re-invest. Only now are manning levels beginning to creep up again and there are fears that in some areas a shortage of labour may be one of the main curbs to rapid growth.

During the lean years of 1974 and 1975 many workers were laid off and there is a strong possibility that a good proportion of them will have been lost to the industry forever. Training takes time and the number of apprentices taken on has also been held down.

Companies are looking for workers but there is still some nervousness about continuity. Having once suffered at the Chancellor's hand there is reluctance to build up a workforce only to lay it off again in the event of re-imposed credit restrictions or an increase in VAT.

There is, however, great inherent strength in the market for sailing cruisers and the weather of the last two summers has given owners the opportunity to obtain far greater use from their boats. The expected trading down

as living standards are squeezed has not taken place and buyers have moved up with the market. The halving of VAT from 25 per cent. to 12½ per cent. was not passed on completely to a public that had just started to become accustomed to higher prices, so the manufacturers share some of the relief with the consumers.

On the equipment side sales are booming both in this country and abroad. At home, the slack in demand for new boats is compensated for by owners improving their existing craft, while overseas buyers come looking for value. Sail and mast makers, winch builders and fittings manufacturers have all benefited from the increased export of finished boats and even racing clothes are enjoying a boom.

Electronics have proved a remarkable example of what British industry can do when it sets its mind on fighting for export sales when the home market comes under pressure. The Seafarer range of electronic sounders made by Electronic Laboratories (Marine) are beating the Americans in South America and challenging the Australasia. There sales of Seafarers have quadrupled.

As the public demands greater safety and improved communication at sea, so the sales of radar and radio telephones have increased and the same company's Seavoice has sold 15,000 worldwide in the last two-and-a-half years. In spite of doubled production capacity the company is quoting March delivery and the Seavoice direction finder is sold out until June.

The reason is not just that wives are happier—letting their men roam offshore—if they know they can call for help when in trouble. Far more, it is another example of applying big-company management techniques and economies of size to

the job of producing well-engineered up-to-date competitive equipment and then backing it up with wide distribution and proper after-sales service.

Westerly Marine, too, has instituted after-sales in much the same way as a car manufacturer. They also have a novel scheme whereby work can be put through a yard by an owner, who then pays Westerly, which then vets the quality of the work before handing the money over to the repairer.

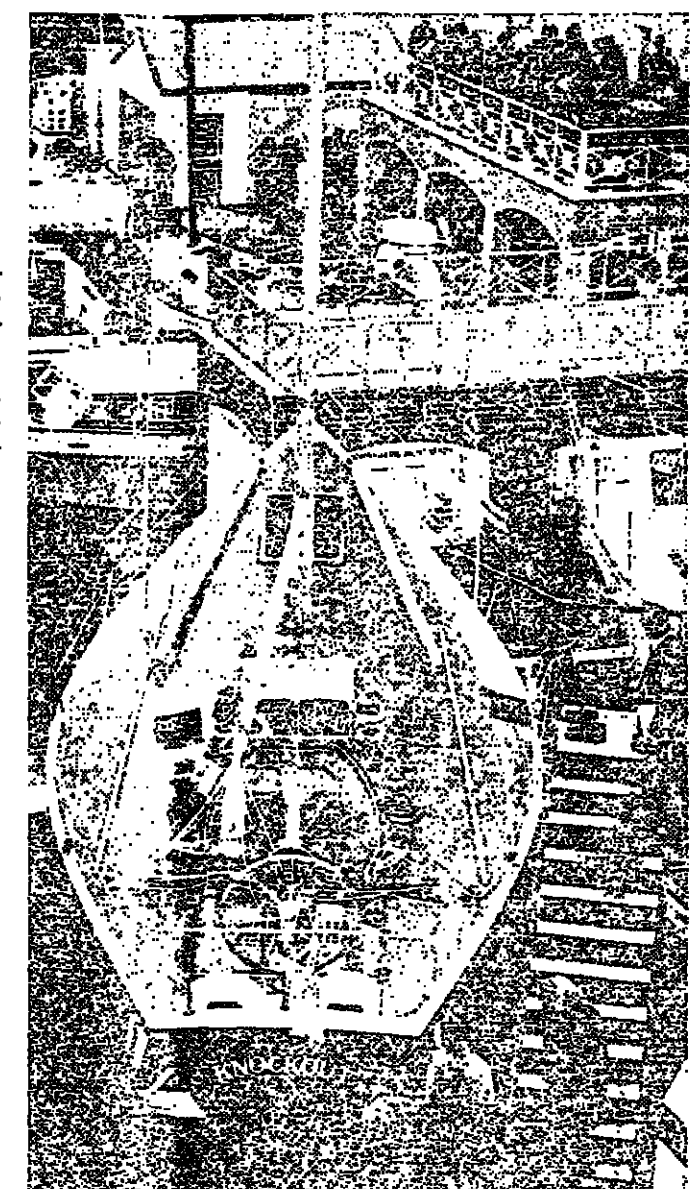
In engines, too, there are new British designs from both Petter and Lister which are arousing a great deal of attention. Imported units have become very expensive as the foreign exchange rate has worked against the U.K. and some imported engines are not always as reliable as their reputations. If Petter can produce the right quantity they will undoubtedly be able to compete successfully with overseas makers.

## Smaller boats

Racing has seen a shift of emphasis again to smaller boats and as another Admiral's Cup Cowes Week looms, it is significant that the majority of new racing machines in contention for a place in the British team will be two-ton class, though there will always be a small select band who will be able to muster a Class One fleet.

Overseas designers are still tending to dominate the larger sizes of racing boats and it is a pity that one or two home-grown designers are not given more of a chance, but in such a fashion conscious arena and with so much at stake stardom can be very short-lived.

The influence of racing has noticeably filtered through to the cruising man, and is likely to even more so former racing and other crew progress to their own boats and demand performance and equipment equal to the standard usually



The new Ron Holland-designed two-ton racing machine Knockout, built at Cowes by Souter for Sir Max Aitken. The price of the winches around and in the cockpit would buy a small country cottage.

found in racing boats. They are also becoming more gadget-conscious, possibly as a reflex to the opposition's and can be sold competitively all over the world.

Europe is the new home market and it would not be too jingoist to say that Britain is the European leader after a three-year struggle which has left fewer scars than originally predicted.

## LABOUR NEWS

### Pit deputies defer retirement talks

BY ALAN PIKE, LABOUR STAFF

MEMBERS of the National Association of Colliery Overmen, deputies and Shifters put their case for retirement at 60 to all their members who work underground at a meeting with coal Board officials in London yesterday.

Both sides accepted that there could be no realistic negotiations on the claim until the National Union of Mineworkers demand early retirement was settled. There will be another meeting.

Initiative moves on the miners' claim, on which negotiations have been adjourned until yesterday, were made yesterday by union officials. They asked the TUC to arrange for a committee to consult the miners' leaders to consult the national committee before continuing negotiations with the coal Board.

It was hoped this meeting would be on Monday. It seems more likely to be held on Wednesday.

Both sides of the industry will also get the view of the Government on the claim—including the important issue of how it is to be financed—from Ministers, including Mr. Albert Booth, Employment Secretary and Mr. Anthony Wedgwood Benn, Energy Secretary, next week.

At the last round of negotiations on Thursday the Coal Board made an improved offer of voluntary retirement for appropriate workers at 62 as soon as pay policy permits, reducing to 60 by 1979. This was rejected 13-12 by the union executive. The rejection was rescinded to allow talks to continue.

### Peace at Rubery Owen threatened again

BY OUR LABOUR STAFF

ANOTHER threat to the year of industrial peace being sought at Rubery Owen's West Midlands motor components plant developed yesterday when conveners of the electricity workers' union refused to attend next week's important meeting on procedure.

The meeting between unions arranged following an initiative by Murray TUC general secretary, to end an electricity strike which was threatening the future of the plant, however, conveners of the Transport and General Workers' Union and Amalgamated Union of Engineering Workers said yesterday that they would not join Electrical and Plumbing Trades Union at procedure talks on Tuesday which, the company hopes, would pave the way towards improving industrial relations.

The conveners complained that the electricity representatives at the plant withdrew from the joint shop stewards' committee in 1973 but have continued to accept wage increases negotiated by other unions.

The talks next week are due to be attended by national and regional unions officials and the meeting can be expected to go ahead as planned, despite the boycott.

Lay-offs at Massey Ferguson's Coventry tractor plant rose to 1,860 yesterday because of a strike over manning and output levels.

### ACAS bid to end strike at publishing house

BY OUR LABOUR STAFF

THE ADVISORY Conciliation Arbitration Service has set up a separate informal staff management and staff at London publishing company, Century House Publications, in an attempt to resolve a strike by 25 journalists over pay and conditions.

The journalists, some of whom received letters of dismissal going on strike, are receiving financial support from the National Union of Journalists.

The strikers are seeking redress in redundancy and sick pay, a post-entry closed shop, and a commitment to job-adding. They have also submitted amendments, opposing the social contract and calling for a national strike, to the executive's own motion calling for a milder form of opposition to cuts. While the executive did not support the amendments, these are still likely to be debated by delegates at conference.

### Cuts opposition move rejected

MEMBERS FOR more vigorous amendments, opposing the social contract and calling for a national strike, to the executive's own motion calling for a milder form of opposition to cuts. While the executive did not support the amendments, these are still likely to be debated by delegates at conference.

## Govan yard asks State for aid

By John Wyles, Shipping Correspondent

BOILERMAKERS AT Govan voted overwhelmingly in favour of the agreement that Govan had agreed yesterday to abandon some traditional demarcation lines and then urged the Government to respond, if necessary, by underwriting loss-making orders for the yard.

Although the vote by a mass meeting of the State-owned company's 2,300 boilermakers was described by one of their officials as "a great step forward," Govan management took a more sceptical view and warned against expecting any dramatic leaps in productivity.

The company had sought a new working agreement with the Boilermakers Amalgamation to coincide with the introduction of new steelworking facilities under a £25m. modernisation plan.

It has managed to secure some greater flexibility between trades within the Boilermakers Amalgamation as well as provisions for more mobility of labour.

One of the most novel aspects of the agreement is that it has now been reached without a consequent pay rise—which would have been prevented by the pay policy.

This contradicts a strong Boilermakers' tradition and helps to explain why the union was calling for a *quid pro quo* from the Government.

Mr. James Ramsey, the Boilermakers' Upper Clyde district delegate, said after the men had

## Nyerere assurance on Rhodesian peace

By Quentin Peel, Dar es Salaam, Jan. 7.

MR. IVOR RICHARD, Britain's roving envoy to Southern Africa, received a comparable private assurance yesterday from President Nyerere of Tanzania that the guerrilla war in Rhodesia would end once a majority Government had been formed there.

The Tanzanian President emphasised that such a Government must represent "a true transfer of power to the people of Zimbabwe." He welcomed the British decision to play a role in an interim administration in Rhodesia.

President Nyerere has not committed his support to any interim Government which does not constitute a majority regime. But his favourable reaction to Mr. Richard's latest proposals, coming after the positive response of President Machel of Mozambique in Maputo yesterday, marks a hopeful end to the British envoy's first round of Rhodesian shuttle diplomacy.

The assurance given by President Nyerere appears to go a long way to meeting the conditions understood to have been set by Mr. Vorster, the South African Premier, for his support of the British settlement proposals.

Given the continued insistence of Mr. Ian Smith, the Rhodesian Prime Minister, that he will only accept the so-called Kissinger plan, despite its rejection both by the front-line African Presidents and by the Rhodesian nationalist leaders, Mr. Richard regards the South African position as the key to a solution.

In addition, in President Nyerere's public statement to-day

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
House of Commons recess. European Central Bankers' two-day monthly meeting opens in Basle. European Parliament resumes in Luxembourg. Mr. Ray Buckton, general secretary of ASLEP, at Coal Industry Society luncheon, Hyde Park Hotel, SW1.	Organisation for Economic Co-operation and Development two-day meeting opens in Paris for crucial talks on world shipbuilding crisis. Hire purchase and other instalment credit business (Nov.). Civil aviation Authority meets to discuss European air fares. Retail industrial trends. Wholesale sales (Nov.—final). Provisional	Price Index (Dec.—prov.). Turnover of catering trades (Nov.). Personal income. Organisation for Economic Co-operation and Development two-day meeting (third quarter—prov.). Further meeting of National Union of Mineworkers' executive to discuss early retirement. Mr. Anthony Crosland, U.K. Foreign Secretary, addresses European Parliament in Luxembourg. TUC economic committee meets. Central Government financial transactions (including borrowing requirements) (Dec.). Housing starts, completions, and renovation grants approved (Nov.).	Scotland and Wales Bill committee stage in Commons. Sir Rowland Wright, chairman of ICL, at American Chamber of Commerce luncheon, Savoy Hotel, W.C.2.	Table steel production (Dec.). Building Societies receipts and loans (Dec.).

Still waters.

The smooth, dry taste of Booth's Gin doesn't need fizz to be enjoyed. Add pure, still water on its own—or with a touch of bitters—and your appreciation of Booth's will still run deep.

Smooth Booth's.



# COMPANY NEWS COMMENT

## Oliver Rix cuts deficit to £77,000

IMPROVEMENT in both the trading and financial positions has been achieved at motor distributor Oliver Rix, says Mr. A. K. L. Stephenson, the chairman. For the year ended September 30, 1976, the pre-tax loss has been cut from £250,091 to £77,000.

This represents an almost break-even second half after a £66,302 loss at the midway stage. Sales, excluding car tax and VAT, were marginally higher at £20,914m (£20.5m) for the year. Trading has been considerably strengthened by rationalising the motor division. This is now expected to benefit from further franchise enrichment from British Leyland, Mr. Stephenson states.

Profit from the transport division has substantially increased and the industrial and insurance divisions have achieved useful growth, he adds.

There were losses on sale of land and buildings amounting to £6,823, and on sale of subsidiaries and investments, £128,673, together with loan stock costs of £23,332. These were partially offset by the release of £33,600 deferred tax making an extraordinary net loss of £137,223.

1975-76 1974-75

Turnover	20,914	20,500
Trading profit	51,243	30,153
Interest	38,088	73,244
Net loss	23,332	250,091
Pre-tax loss	161,784	1,083,573

Excluding car tax and VAT. \* Charge.

Oliver Rix's full year figures are once again distorted by non-recurring charges and adjusting for these reveals a 12 per cent rise at the trading level before investment income. The transport and industrial divisions have continued to do well with the former more than doubling its contribution but the motor division side remains depressed. The group has cut back severely on this operation but it still accounts for around 50 per cent of capital employed. Rix expects to be back in the black at the pre-tax level in the current year, but borrowings were £4.4m (137 per cent of net worth) at the end of the year. Shares fell eight pence to 3p where the group is capitalised at £1.4m.

## British-owned tea companies to Indianise

Most British-owned sterling tea companies have decided to Indianise their equity holdings in accordance with terms of the Foreign Exchange Regulation Act and have sent proposals accordingly to the Reserve Bank of India.

Indian companies are to be formed to take over the assets of the sterling tea companies whose capital will now be in rupees. Of this 75 per cent will be owned by foreign residents and the remaining 25 per cent, to be offered to the Indian public by most of the companies. Management will be handled by Indians.

With this the Tea Board will treat the sterling companies almost on a par with Indian concerns for purposes of hire purchase finance and replanning loans.

Some points on restrictions on commission payable for London auction teas and the debiting of produce figures are still being discussed with the finance ministry and the Reserve Bank.

The commission has been restricted to 3 per cent since the Reserve Bank wants to reduce the commission to 3 per cent. It also wants the commission on sales made direct to buyers other than London auctioneers to be on an FOB basis rather than CIF.

## Expansion at D. C. Thomson

Group results of D. C. Thomson and Company for the year to March 31, 1976, show trading profits ahead from £2,231m to £2,831m investment income up from £1,725m to £1,851m, and an expansion in income after taxation from £1,231m to £2,831m. The dividend is raised from 17.64p to 19.375p.

The post-New Year lull has lasted only one week. This week more than 40 companies will produce figures compared with a mere 14 in the last seven days. Most interest will be concentrated on the half-time results from Thorn Electrical Industries which is widely expected to be showing dramatic growth. But there will be room for attention to the preliminary figures from English and Welsh Holdings, and the half-time results from Hogg Robinson and Scottish and Newcastle Breweries.

At one time there was a school of thought which expected a round £100m pre-tax profits from Thorn this year but greater caution has crept in closer to next Friday's publication of the half-time results. Now the estimates range on both sides of £90m, with £85m on the low side and £95m the top estimate. At mid-term £42m looks a good bet, representing a rise of a third on the comparable period. This is despite continuing problems in the manufacturing. One advantage following the closure of the Skelmordale colour tube factory in a full year this could amount to £10m. Elsewhere growth in the TV rental and advertising divisions is thought to be significant.

With a shade under £10m pre-tax profits already under the belt at half-time, English and Welsh Holdings should bring in around £23m (£16.6m) for the full year. At least, analysts' forecasts are all closely grouped around that figure. The half-time results showed a 40 per cent rise and, with exports of clay picking up considerably (perhaps by 20 per cent) in the second half, the prospects of a fairly similar growth rate in the latter half look good. The sharp turnaround in

## HIGHLIGHTS

Of the handful of companies that reported results yesterday, Oliver Rix reported a much reduced loss for the full year of £77,000 on a turnover of £27m. Before interest charges the group's trading profits showed a rise of 10 per cent with the main impetus from the transport division. On the takeover front, Imperial Kulfie has raised its bid for Richards of Sheffield from 21p to 30p cash and got the backing of the Richards family.

During the first half liquidity continued to improve and a long term commercial loan of £250,000 was completed with Eagle Star Insurance Co thereby reducing the group's dependence on short term bank borrowings.

At the pre-tax level, profit was £28,405 to £40,850—in the previous year the figure was £24,574.

The directors anticipate that the dividend for the year will be higher than the 1.345p net last time.

At mid-year when the directors said that second half was expected to reflect continued pressure on margins.

Earnings for the year improved from 7.75p to 10p and the dividend total is stepped up from 3.175p to 3.425p with a final payment of 1.817p net.

UMEC Boydell (Sales), formerly UMEC Boydell, was non-profitable for some time and was a continual drain on cash resources, was sold. Latham Manufacturing, reporting the loss of telephone orders, has been moved to the site formerly occupied by UMEC Boydell, and its former premises at Crosshills Road is now for sale.

The paint coating plant at Custom Coil Coasters is now producing the tonnage which the directors expected some time ago. The turnover is not without profit, increased this year, including a significant proportion of export business.

A Licensing Agreement has been signed by UMEC Boydell (Belting) which allows Norton (International) to manufacture patented nylon conveyor belts in the U.S. Royalties received under this agreement will make a significant contribution to group profits in the coming years.

World-wide demand for nylon and stainless steel conveyor belts is growing and this company is expected to make continued progress in the coming year.

Meeting, Wolverhampton, on January 23 at noon.

## Textile Alliance losses

The directors of Textile Alliance announce that the unaudited consolidated results for the six months ended September 30, 1976, show a loss of £1.2m compared to a reduced level of £0.8m in the previous year.

The loss is not without profit, notably spinning and weaving and garment manufacturing, have recorded profits but these have been more than offset by losses in the knitted and dyeing and finishing activities of the group.

Efforts continue to be concentrated on the rationalisation and stream-lining of the manufacturing division, and on improving the group's financial position.

In the chairman's statement accompanying the last annual report it was indicated that it was hoped to achieve a break-even situation in the financial year to March 31, 1977. However, the world textile market has recovered less quickly than anti-

both householding and quarries did not have affected the results due out on Thursday though the climate does not bode well for the current year.

No such consensus is apparent over Hogg Robinson's profit growth. Full year forecasts range widely between £71m and £91m, so the half-time results due out on Tuesday, will be keenly dissected. Observers are more in agreement with the areas where growth will come from than with the areas where it could be achieved. It is likely to be achieved in the trickier second half.

Other companies whose results should spark of interest are McCortusdale and Kenning Motors both of whom will report year-end figures. Important interim statements will also come from W.P. Industries, Wetnam Engineering, Hickson and Welch and J. B. Eastwood.

Interim figures only

Company	Dividend (p)	Last year	This year
Capital and Counties Property	1.0	1.0	1.0
City of London Brewery and Invest. Trust	1.4	1.4	1.4
Lea Economic	1.5	1.5	1.5
J. B. Eastwood	1.5	1.5	1.5
ERP (Holdings)	1.5	1.5	1.5
Hogg Robinson Group	1.5	1.5	1.5
Hollis Group	1.5	1.5	1.5
International Timber Corporation	1.5	1.5	1.5
H. and R. Johnson-Richards Tiles	1.5	1.5	1.5
Jones, Strong & Holdings	1.5	1.5	1.5
London & Investment Bank	1.5	1.5	1.5
Oliver and Robinson	1.5	1.5	1.5
Raycock	1.5	1.5	1.5
W.P. Industries	1.5	1.5	1.5
Scottish Homes Investment	1.5	1.5	1.5
Scottish and Newcastle Breweries	1.5	1.5	1.5
Stock Exchange and Investment Bank	1.5	1.5	1.5
Served Riley & Drummond	1.5	1.5	1.5
Thorn Electrical Industries	1.5	1.5	1.5
Trident Group Properties	1.5	1.5	1.5
Wetnam Engineering Corporation	1.5	1.5	1.5

\* Dividends shown net of tax, and adjusted for any inter-branch or inter-company transfers. † Includes second interim of 0.5p. ‡ Includes second interim of 0.5p. § Includes fourth interim of 0.5p. First interim for 1977, of 0.25p already paid.

## Robert H. Lowe better second half

Robert H. Lowe has reported a better second half performance, with a 10 per cent increase in turnover and a 15 per cent rise in profit.

The directors anticipate that the dividend for the year will be higher than the 1.345p net last time.

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World-wide demand for nylon and stainless steel conveyor belts is growing and this company is expected to make continued progress in the coming year.

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## Berwick Timpo plans £5m. sales boost

Berwick Timpo is launching 150 new toys and games at the Harrogate Toy Fair next week. Mr. John Oakley, chairman, says: "We are confident that they will be worth at least £5m. in additional sales this year."

Companies in the group include Berwick's Toy Company, Model Toys, Peter Pan Playthings, Flair Toys and Harb's Plastimex. Current turnover is about £10m.

Last month the group announced the acquisition of Aurora U.K. from the American Nabisco Corporation. Its car racing set, snooker and other table games are being marketed by Flair Toys, which also handles the Daisy Doll range.

Mr. Oakley says that the group is now manufacturing under licence products from Germany, Japan, the U.S.—all of them with proven appeal.

Also spreading our sales effort throughout the year, to avoid over-dependence on Christmas. The summer holiday U.K. is becoming increasingly important."

## Christy Bros. first half standstill

Trading activity of electrical engineers Christy Bros. started the year slowly and pre-tax profits for the six months to September 30, 1976, were £1.2m compared with £1.0m for the corresponding period. Profit for the last full year was £11,000.

Half yearly earnings per 25p share are given at 3.4p (2.5p) and the directors are forecasting a final dividend payment. The last dividend was 12.25p net per 21 share for 1975-76.

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## Avenue Close first half rise

As a result of the inclusion in full for the first time of the completed Truro development and the reversions from West End properties, rental income of Avenue Close improved to £42,242 (£37,582m.) in the year to September 30, 1976—in addition there were property dealing profits of £1,865 (£2,886).

At the pre-tax level, profit was £28,405 to £40,850—in the previous year the figure was £24,574.

The directors anticipate that the dividend for the year will be higher than the 1.345p net last time.

At mid-year when the directors said that second half was expected to reflect continued pressure on margins.

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## Guthrie to reconstruct in Malaysia

Guthrie Corporation, the British group with big plantations in Malaysia, has announced a proposal to reconstruct its Malaysian plantation interests—other than those held through Guthrie Ropel—into a new company to be registered in Malaysia.

The plan was first reported in Wednesday's issue of the Financial Times.

In a statement to the Kuala Lumpur Stock Exchange, the London-based group also confirmed that Guthrie Ropel was not involved in the reorganisation.

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## DIVIDENDS ANNOUNCED

Company	Current payment	Corre. div.	Total for year	Total for year
P. J. Carroll	6	13.75	19.75	19.75
Robert H. Lowe	2.62	2.3	4.92	4.92
F. S. Ratcliffe	1	Nil	1	1

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Gross figures.

## P. J. Carroll rises 61% on CCA basis

THE IRISH cigarette and tobacco manufacturer P. J. Carroll, one of the first companies to publish its annual accounts on a current cost accounting basis, shows a pre-tax profit of £1,142,000, against £823,000 on a historical basis, for the 15 months ended September 30, 1976.

This compares with a profit for the previous 12 months period of £2,050,000 (£3,730m. historical) representing an annualised 61 per cent rise. Sales for 1975-76 expanded to £12,450m. (£27,582m.) with exports at £30.6m. showing a 100 per cent jump on an annual basis.

A final dividend of 2.125p net per 25 share makes the total for the period, after two interim payments 2.5p. A comparison of the group's dividend shows the final at 3.25p (6p) lifting the total for the year to 13.75p (8.75p).

The directors also propose a capitalisation of £2m. of the company's reserves, to be used for two scrip issues to holders registered at February 4, 1977.

Stated earnings per share on a historical basis at 25.25p when annualised, up at 15.6p (13.6p).

The tax charge comes out at £1,575m. (£6,500m.) but provision of £1.21m. has been made for additional tax relating to cost of sales adjustment should the group have to be assessed on an historical basis for tax purposes.

Before establishing the amount available for distribution and moved £1,952m. to the revaluation reserve. The revaluation reserve is £1,952m. (£1,952m.) and the value of the shareholders' equity interest at the year end in £1,952m. (£1,952m.).

STOCK and share jobbers, Akroyd and Smithers has made a promising start to the current year and there are signs of real hope for the future, states Mr. D. H. LeRoy-Lewis, chairman.

According to Current Cost Accounts complying with ED18, profit before tax for the year dropped from £7.16m. to £6.90m.

1975-76 1974-75

Current Cost Accounts	13,251	14,333
Turnover	12,450	27,582
Operating profit	1,142	2,050
Net interest receivable	1,142	2,050
Profit before tax	1,142	2,050
Income tax	3,771	4,308
Surplus distrib.	3,228	2,688
Dividends	1,142	1,875
Reserves	2,086	813
Surplus on reval. assets	15	183
Revaluation reserve	1,142	1,875
Revaluation reserve	1,142	1,875
Dividends in gen. reserves	1,142	1,875
Revaluation reserve	1,142	1,875
Revaluation reserve	1,142	1,875

Revaluation reserve stands at £2,272m. (£1,250m.). It is explained that the company, by the nature of its business, will always have an excess of net monetary assets and, if it is to maintain the same real level of business during a period of inflation, there is a need to finance an increased holding of these assets.

After allowing for the change in the value of money, a statement of change in shareholders' equity interest shows a gain of £2.12m. for the year—dividends take £1.2m., leaving £0.92m. directors have decided to sum up the revaluation reserve a further £1.2m. to the revaluation reserve, together with the revaluation surplus which is regarded as non-distributable.

Meeting, 55, Moorgate, EC, February 3, 12.20 p.m.

## Hopes for investment go-ahead at S. Osborn

Capel Cure Myers sold 10,873 Dunford and Elliott new 10p preference shares (nil paid) at 10p premium 763 at 3p and 9,100 at 12p all on behalf of discretionary investment fund. Dunford and Elliott New 10p preference shares at 12p premium on behalf of an associate.

The company has started the year on a sounder order load but any marked improvement in profits must depend on the economy.

As known, group sales for the 52 weeks to October 1, 1976, were £2,250m. (£2,710m.) and pre-tax profit was £2,900m. (£2,980m.) adjusting for inflation, including an adjustment for gains on net monetary liabilities, the profit after tax would be reduced by about £2m.

During the year a £2m. medium-term loan facility was negotiated—following continued repayments of the Department of Industry loan, that facility has now been reduced to £0.75m. which is due to be repaid over the next 15 months.

The chairman reveals that Special Osborn Australia Pty., which reduced its operating loss last year, is now operating profitably.

Meeting, Sheffield, January 31, 12.30 p.m.

## HOGG ROBINSON

Hogg Robinson Group has taken a further step in their programme of providing local insurance broking services throughout the world in conjunction with the formation of a new company, Albar and Hogg Robinson Sdn. Bhd. in Kuala Lumpur.

## UNIT TRUSTS

### Trident Gilt Fund offer

The Trident Gilt Edged Fund is being offered by investors this week-end by Trident Life Assurance. The portfolio is currently invested in long-dated gilt-edged securities over 15 per cent gross. The management emphasises that it believes that interest rates in general will fall over the next few years and that capital appreciation will be boosted not only by a high roll-up of interest but by rises in gilt prices as interest rates fall. The minimum investment is £200 and for investors seeking income there is an automatic withdrawal plan provided the investment is at least £1,000.

comment  
The management of Trident Gilt Edged Fund is taking a very firm line on the way it expects interest rates to move over the next few years and has invested in long dated stocks to get the maximum benefit in price rises that would follow from the rates moving to a lower level. The fund is therefore aimed at the investor seeking capital growth and the rate of return will depend on whether the views of the management are borne out. Investors seeking income can use the withdrawal scheme but should check the tax position very carefully.

M & G HIGH INCOME  
The M and G Group is offering investors this week-end the M and G High Income Fund yielding at present an estimated 11 per cent gross. The fund is entirely in high yielding U.K. equities to provide a good starting income combined with the maximum prospects for income growth either by a lump sum outlay, minimum sum £250, and the investor has the choice of income or accumulation units. The fund is a monthly savings scheme.

comment  
Investors seeking income have to decide between funds offering a high starting income with little or no prospects of future growth or those with lower starting income but better growth prospects. The M and G High Income Fund by investing in equities falls in the latter category. The fund

comment  
The recently formed Chieftain Trust Managers is offering investors this week-end the Chieftain High Income Units yielding an estimated 12 per cent gross. The portfolio is invested almost entirely in high-yielding U.K. equities and holdings in preference shares at present only 25 per cent of the fund's assets. The minimum investment is £250, accumulation units are available and there is a monthly savings scheme.

comment  
The Chieftain High Income Units was the first product from the stable of this newly-formed group launched by Peter Potts and two former colleagues from the British Insurance Co. Ltd. It was regarded as a safe move since income funds have been among the best sellers in the unit trust movement and the fund has a minimum £100 investment in the four months since inception. The performance to date has matched the optimism of the managers as it has risen 15.5 per cent since starting in the Industrial Ordinary Share index.

PICCADILLY SHARE EXCHANGE  
Piccadilly Unit Trust Management is drawing investors' attention this week-end to the Piccadilly Share Exchange Plan which enables investors to exchange their equity investments for preferential shares. Acceptable shares will be taken at offer price, compared with the bid value obtainable if the shares are sold on the open market. The plan can move into any one of the seven funds under management.

comment  
Share exchange schemes are now an important feature of unit trust sales, offering investors the opportunity to switch into equity investment vehicles which provide the expert management necessary in these days of rapidly changing investment conditions. The Piccadilly Share Exchange Plan gives investors the choice of several funds to invest in, a wide range of equity investment on terms more favourable than selling in the open market.

ARBUTHNOT FUND  
Arbuthnot Securities is offering investors this week-end the Arbuthnot High Income Fund yielding an estimated 13 per cent gross. The portfolio is invested in a wide range of high yielding U.K. equities to provide growth potential with the remainder in preference shares in the income. The minimum investment is £200, accumulation units are available and there is a monthly savings scheme.

comment  
The Arbuthnot High Income Fund originated its investment policy towards high yielding equities to provide income growth, but has about one quarter of the fund in preference shares to boost the initial yield. The income funds have shown better capital growth performance over the past few years and this fund was among the leading performers for the U.K. oriented funds last year.

TYNDALL SAVINGS  
Tyndall Assurance is drawing investors' attention to the Tyndall Savings Plan which enables investors to build up capital by regular savings in a life assurance contract, thereby becoming eligible for tax relief on contributions. The plan is aimed at investors who wish to provide for their retirement and can be lodged for registration at any time after receipt and must be lodged not later than February 22, 1977.

LAWSON HIGH  
Lawson Securities is offering investors this week-end the Lawson High Yield Fund yielding an estimated 13.5 per cent gross. The portfolio is split between preference shares, high yielding equities and investment trust income shares, the equity portion of the fund is more than half the portfolio. The minimum investment is £200, accumulation units are available and there is a share exchange scheme and 25 per cent of the fund is linked to life assurance contracts.

comment  
The Lawson High Yield Fund comes promises better returns than the price of £2.25 per unit and income growth prospects by splitting the portfolio equally between preference shares and high yielding equities. For investors relying on high starting income and income growth, this is perhaps the best split that can be made.

ISSUE NEWS  
12.3% TAP STOCK  
The Bank of England announced the issue of £500m. of 12.3 per cent Treasury stock 1981 at £1.25 per unit, 100 per cent



Gilt Fund
PROPERTY GROWTH
GILT-EDGED
TARGET GILT EXCHANGE

High Iron
comment

comment

SCENE - GOLDEN HOPE MERGER
Government attitude crucial

BY DAVID HOUSEGO, ASIA CORRESPONDENT
THE ATTITUDE adopted by the Malaysian Government will be crucial to the outcome of the Golden Hope merger...

BIDS AND DEALS

Imperial Knife raises offer to 30p

THE BOARD of Richards of Sheffield (Holdings) was yesterday considering with financial advisers...

NATIONWIDE SAYS WAIT

Shareholders in Nationwide Leisure, whose share quotation has been suspended since 1964...

THOS. COOK SELLS U.K. FREIGHT INTERESTS

The Thomas Cook group, whose major shareholder, Midland Bank, is currently negotiating...

ALFRED MARKS - ADIA

In the official document accompanying the agreed £1.1m. cash bid for Alfred Marks by Engineers (Sutton) made a pre-Adia interim SA...

RECENT ISSUES

Table with columns: Issue, Date, High, Low, etc. Includes sections for EQUITIES and FIXED INTEREST STOCKS.

RIGHTS OFFERS

Table with columns: Issue, Date, High, Low, etc. Includes section for WCF MANAGERS LTD.

COMPANY NEWS SUMMARY

Take-over bids and mergers

Dunford and Elliott has rejected an increased £9m. takeover offer from fellow Sheffield steel group Johnson and Firth Brown...

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit, Earnings, Dividends.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit, Interim dividends.

SCRIP ISSUES

Ratners (Jewellers): One-for-two

BOOKER-KINLOCH

Despite opposition from founder and former deputy chairman, Mr. Douglas Scarff...

TATE & LYLE

Redpath Industries has acquired all of the shares of Refined Syrups and Sugars of York...

SNOW REPORTS

Table with columns: Depth, State, Temp, etc. Includes sections for SPAIN and NORWAY.

WCF MANAGERS LTD.

P.O. Box 73, St. Helier, Jersey. Fund M.A.V. at 31st December 1976.

Highly Taxed? Improve your net return using Schlesingers unique 3 way portfolio. Currently 76% in Gilts and Loan Stocks.

Far less attractive than capital gains made in an authorised unit trust: to the 70% taxpayer such gains are worth nearly 3 times the same income return...

Use this coupon to invest immediately or to find out more about 'Nil Yield' PIMS, which you may wish to discuss with your professional adviser.

Start saving £20 a month

Finish with a small fortune

Do you want to build up capital, but you're not sure how? Tyndall have one of today's best answers...

Tyndall Unit Trust Assured Savings Plan

You can start a Plan for as little as £10 a month. Please complete and post the coupon for full information.



WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Awaiting Carter's strategy

BY OUR WALL STREET CORRESPONDENT

A FIRMER TREND developed in cautious trading on Wall Street today, as word was awaited from President-elect Carter as to what methods he will implement to stimulate the U.S. economy.

The Dow Jones Industrial Average finished 3.24 up at 983.13 and the NYSE All Company Index earned 4 cents to 525.70, which rises led falls by 845-to-627. But the trading volume further decreased 2.2m. shares to 17.72m.

Throughout the day, Mr. Carter met with Congressional leaders for a final session before an outline of his fiscal plan was made public. After the stock market closed, word came that Carter and Top

adjusted \$1.25bn. This was generally in line with expectations, and had little impact on investors.

Superscope fell \$2 to \$19 on its lowered 1976 sales and earnings projections. Boeing gave way \$2 to \$411 on the U.S. State Department alleged, in a document filed with the U.S. Appeals Court, that consultants used by the company were officials of Foreign Governments.

Federal Signal edged up \$1 to \$154 on a five-for-four stock split. The AMERICAN S.E. Market Value Index rose 0.60 to 110.94, while advanced led declines by 380 to 243. Turnover 3.5m. (2.88m.) shares.

Foreign sector moderately active. Dollar stocks, Germans and Dutch Internationals steady. VIENNA—Slightly higher.

MILAN—Irregularly lower in quieter trading, with caution induced by Government/union failure to reach agreement on reducing labour costs. Insurances and financials lost ground. Bonds narrowly mixed in quieter trading.

HONG KONG—Mixed after a firm opening. Volume 300m. (same) shares. Some Electricals and Cameras rose, and speculators were also selected. Petroleum and Resource shares gained ground on crude oil price rises.

JOHANNESBURG—Gold shares were quietly steady. Activity centred on Coppers and other Metals. Palamin gained 50 cents to R10.30 and Mimosa 50 cents to R3.30. Asbestos stock Gefco dropped 50 cents to R14.50 on profit-taking.

OSLO—Quiet and little changed. COPENHAGEN—Banks eased, while other sectors were better. SWITZERLAND—Generally very steady in fairly active dealings. Banks predominated in leading. Financials generally firm, most leading Industrials rose slightly. Insurances narrowly mixed.

PARIS—Generally easier. U.S. Consumer Credit in France rose Frs2 on plans to float a

OVERSEAS SHARE INFORMATION

Table of overseas share information including sections for NEW YORK, STOCK, and various international markets like AUSTRALIA, BRUSSELS/LUXEMBOURG, SWITZERLAND, AMSTERDAM, and VIENNA. Includes columns for Stock, Price, and Div. Yld.

FRIDAY'S ACTIVE STOCKS table with columns for Stocks, Change, and Closing prices.

NEW YORK-DOW JONES table with columns for Jan 7, Jan 6, Jan 5, Jan 4, Jan 3, Dec 31, High, Low, High, Low.

STANDARDS AND POORS table with columns for Jan 7, Jan 6, Jan 5, Jan 4, Jan 3, Dec 31, High, Low, High, Low.

F.T. CROSSWORD PUZZLE No. 3274 with crossword puzzle grid and clues.

Y.S.E. ALL COMMON table with columns for Jan 7, Jan 6, Jan 5, Jan 4, Jan 3, Dec 31, High, Low, High, Low.

WINNERS OF CHRISTMAS CROSSWORD table with crossword puzzle grid and clues.

EXXON to use more Saudi oil article text.

Table of EXXON stock prices and dividends.

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# Sangers Group finance director

Mr. Anthony M. Goodman has been appointed to the Board of the SANGERS GROUP as finance director.

Mr. J. F. D. Wood and Mr. J. F. Bedford have joined the Board of HAMBERLAIN GROUP. Mr. Wood, who is managing director of its structural engineering subsidiary, Sanders and Foster, has assumed the responsibility for the group's structural steel companies. Mr. Bedford is managing director of Chamberlain Industries, the hydraulic engineering subsidiary.

Mr. G. H. Moody-Stuart at present development director of Booker Agriculture International, a subsidiary of Booker McConnell, is to be chief executive of the SANGERS CORPORATION. His appointment commences on January 8 and will be for a three-year period.

Mr. Herbert Shaw has been appointed director of WELDON AND SCOTT, a subsidiary of Allied Textile Companies. Mr. Gordon Carr has been appointed general manager of the BUILDING SOCIETY, following the retirement of Mr. W. W. Moore. Mr. Carr was previously the Society's deputy general manager.

Mr. John G. Middleton has retired from his chairmanship and presidency of the GUILD OF LAND BUILDING SOCIETIES. An appointment he has held since 1962. He retains his seat on the Board. Mr. Alexander Robertson, vice-chairman, has been elected to succeed Mr. Middleton in both offices and Mr. James Stables, a director, becomes vice-chairman.

Mr. David Morgan, group solicitor, has been appointed to the main Board of the HUNTING GATE GROUP. Mr. Jonathan Walters, group estates surveyor, has joined the Board of Hunting Gate Construction and Hunting Gate Developments. Mr. Martin Jennings, building manager, has been appointed a director of Hunting Gate Homes, Hunting Gate Developments and Hunting Gate Construction. Mr. Colin Ayres, group quantity surveyor, has become a director of the Hunting Gate Homes, Developments and Construction com-

panies. Mr. Anthony Edmunds, group accountant, has been made group secretary.

Mr. Barry J. Barnes has been appointed a director of CAPE-SIDE STEAMSHIP COMPANY and will be responsible for tanker chartering.

Mr. Stanley G. Grinstead, joint managing director of Grand Metropolitan, the parent company, has become chairman of COLSTEN DISTRIBUTORS. Following the retirement of Mr. Sidney A. Garland as chairman and managing director, Mr. Alan Bridgett, previously free trade director of Samuel Webster and Sons, has been appointed managing director. Mr. Dennis E. Dickson, group secretary, Grand Metropolitan, Mr. Edwin Hinz, executive director of Holsten-Brewery, Hamburg, and Mr. Walter Sammer, secretary to certain of its subsidiaries, are to be additional directors.

Mr. David Sawyer has become regional director marketing services of ARTHUR BELL AND SONS.

BARTON AND SONS has announced the following appointments. Mr. S. E. Johnson becomes managing director of Wright Anderson and Co. Mr. H. W. Day is made managing director of W. J. Wolvenhampton. Mr. A. J. Stanley is appointed managing director of Barton Handling System. Mr. H. J. Eveson becomes an additional director of Walton and Co. (Wolverhampton).

Mr. Peter Kenyon has been appointed financial director of BARNES FLEXIBLE PACKAGING, part of the Smith's Packaging Group.

Mr. John Munson, currently managing director of Syntex Pharmaceuticals, has been appointed regional vice-president of the international pharmaceutical division of SYNTEX CORPORATION, with operational responsibilities for Europe and Africa. Mr. Munson, who will continue to serve in this dual capacity, succeeds Dr. Robert Rademaker, who will remain with Syntex as a consultant prior to his retirement in 1980.

Mr. David Wain has been appointed chairman of the INLAND WATERWAYS AUTHORITY ADVISORY COUNCIL. Mr. Wain has been a member of IWAAC since its inception in 1968, also becomes a member of the Waterways Advisory Commission. He is director of the inland waterways museum at Llangollen and of the Welsh Canal Holiday Craft.

Mr. W. P. T. Harper has become a director of BRYANT AND SHAW (MARINE INSURANCE BROKERS).

Mr. Nigel Reynolds has been made managing director of P. P. Payne, part of the Norcross group. Previously international market director for associate company Norprint, he succeeds Mr. Charles Spicer, who becomes deputy chairman. Mr. Reynolds remains a member of the Nor-

cross group. Mr. Peter Parker, chairman of British Rail, has been additionally re-appointed a part-time member of the BRITISH AIRWAYS BOARD until December 31, 1979. Mr. Parker has been a part-time Airways Board member since December, 1971.

Mr. D. R. Stevens has been appointed to the Board of MIDLAND BANK TRUST COMPANY. Mr. J. A. Cave has resigned from the Board. Mr. Stevens is managing director of Drayton Montagu Portfolio Management.

Mr. Herbert E. Cox and Mr. Derek L. Gregory have been appointed the Boards of ROBOPHONE (HOLDINGS) and its subsidiaries, Robophone and Robophone Financials.

Mr. Julian Wathen has been appointed a director of the MERCANTILE AND GENERAL REINSURANCE COMPANY. Mr. A. F. Tuke has resigned from the Board.

# GEC'S CAPITAL REORGANISATION • BY MICHAEL LAFFERTY

## Largesse for shareholders

GEC's NOVEL capital reorganisation, announced yesterday, is remarkable for many reasons, but then GEC is a most remarkable company. Under the direction of Sir Arnold Weinstock, the managing director, the group has grown to become Britain's largest electrical concern and one of the country's most profitable companies.

The new capital reorganisation is necessary for two principal reasons which come together in one inseparable package. First, GEC wants to expand abroad at a time when its scope for acquisitions in the UK is likely to be restricted by monopoly considerations. Yet, because of exchange control restrictions, the group is also prevented from using cash surplus to its domestic requirements for investment outside the country.

The backbone of the company's success was its acquisition of Associated Electrical Industries (AEI) in 1967 followed by that of the English Electric Company (EEC) in 1968. What followed this has since been described as one of the most successful industrial re-organisations in British history.

One obvious measure of the group's success is shown by the transformation which has taken place in GEC's cash position over the past six years. In 1970 it had cash holdings of £231m, and the figure has now risen to approximately £375m. This improvement has been largely attributable to the better use of resources following the integration and reconstruction which followed the AEI and EEC acquisitions.

Thus GEC's dilemma was that it had an enormous treasure chest of surplus cash in the U.K. but it could not get it where it was needed for new expansion and investment. Nor could it distribute the surplus cash to its shareholders because of dividend restrictions.

The solution which GEC has come up with is as appealingly simple as it is administratively complex. Since the group cannot export permanent capital overseas it will instead raise new money on foreign capital markets for new investments in several countries, particularly the U.S. and Europe. (The exchange rate and other risks of borrowing overseas to finance expansion were considered unacceptable.)

An example could be a \$300m share flotation on Wall Street

at a price in excess of the par value of the shares issued or where the value of any assets which it acquires is in excess of what is actually paid for them—the excess is the share premium. GEC's share premium account arose almost entirely as a result of the AEI and EEC acquisitions.

Without this share premium account the reconstruction would have ranked as a distribution for tax purposes. With it—because of many considerations—it constituted a partial disposal and was liable for capital gains tax.

The GEC scheme is different in a number of important respects. The issue of its loan notes does not lead to any immediate capital gains tax liability and none will arise until redemption or disposal by the holders. Nor does the issue of the loan notes constitute a distribution for income tax purposes save to a minimum extent in a special case.

Companies and investors will be looking at the new phenomenon—the variable rate loan note—which gives investors an instrument somewhat equivalent to a money market security bearing interest at a relatively high level which is geared to market rates. GEC and Brent Walker have also given a lead by showing companies who feel hampered by dividend restraint at least one temporary way of giving their shareholders a better deal.

There would then be a profit-sharing agreement between GEC (U.K.) and GEC (Overseas) on similar lines to Unilever arrangements. In other words all GEC shareholders would share profits on an agreed basis in the whole group, even though each of them would only hold shares in one of the companies.

However, before any such move could be made the company had to deal with the present shareholders, many of whom might be said to have

stocked it with through thick and thin. This leads to the second reason for the capital reconstruction. It involves the issue of £178m of variable interest capital notes—a loan document with a floating rate of interest—

to existing shareholders. As a result their income is dramatically increased and, most important, dividend restrictions are not infringing.

An essential feature of the deal is the existence, in GEC's accounts of a share premium account with a credit at the present time of £293m. This figure is really part of shareholders' capital, and many companies have in the past used it to issue bonus shares. A share premium arises in accounts when a company raises capital

but in a different form—the advantage that this gives them in higher income.

This raises the whole question of GEC's capital structure which, on the basis of the 1976 accounts consisted of 86 per cent. shareholders' funds and 14 per cent. borrowed money—a remarkably low debt equity ratio! Now, because GEC has been lucky enough not to turn its share premium account into bonus shares a large proportion of the premium is being reclassified as debt and the debt/equity ratio suddenly looks much less imbalanced with 66 per cent. of equity and 34 per cent. of debt.

But has anything really happened in terms of capital for existing shareholders? It would appear so, although their income position is considerably improved. On the other hand, if GEC was borrowing new money from other parties it could be said that the company was moving towards an optional debt/equity ratio for shareholders.

GEC is not the first British company to use its share premium to the advantage of its shareholders. Brent Walker, the leisure group headed by Mr. George Walker announced last September that it was repaying its shareholders £1.75m. of capital on the grounds that these funds were surplus to the group's requirements. The device meant that 97 per cent. of each shareholder's repayment would not be treated as a distribution for income tax purposes. Instead it constituted a partial disposal and was liable for capital gains tax.

By issuing the notes free to shareholders all that happens is that £178m. is transferred from the share premium account to the credit of a new loan account. There is no cash movement apart from periodic interest payments on the loan notes and the amounts which will have to be paid for their eventual redemption at par in equal instalment between 1979 and 1986.

So what has happened to the £375m. of cash which GEC has in the bank? It stays where it is. A sum approximately corresponding to the amount of the loan notes—£178m.—will no doubt be earmarked to provide an adequate return to finance the interest payments on the new security.

Overall, the loan notes issue is simply a way of giving shareholders what they already own

at a price in excess of the par value of the shares issued or where the value of any assets which it acquires is in excess of what is actually paid for them—the excess is the share premium. GEC's share premium account arose almost entirely as a result of the AEI and EEC acquisitions.

Without this share premium account the reconstruction would have ranked as a distribution for tax purposes. With it—because of many considerations—it constituted a partial disposal and was liable for capital gains tax.



The men who run GEC: Sir Arnold Weinstock (left), managing director, and Sir Kenneth Bond, deputy managing director.

by a new company which might be called GEC (Overseas). The company would be organised and run by GEC management and its activities would be based on GEC creativity and know-how.

### GEC CAPITAL EMPLOYED

March 31, 1976

	Before reconstruction	After reconstruction
Share capital	£m. 135	135
Share premium	257	79
Reserves	391	391
Total shareholders' interest	783	605
Loan capital	128	306
Minority shareholdings in subsidiaries	29	29
	940	940

There would then be a profit-sharing agreement between GEC (U.K.) and GEC (Overseas) on similar lines to Unilever arrangements. In other words all GEC shareholders would share profits on an agreed basis in the whole group, even though each of them would only hold shares in one of the companies.

However, before any such move could be made the company had to deal with the present shareholders, many of whom might be said to have stocked it with through thick and thin. This leads to the second reason for the capital reconstruction. It involves the issue of £178m of variable interest capital notes—a loan document with a floating rate of interest—to existing shareholders. As a result their income is dramatically increased and, most important, dividend restrictions are not infringing.

An essential feature of the deal is the existence, in GEC's accounts of a share premium account with a credit at the present time of £293m. This figure is really part of shareholders' capital, and many companies have in the past used it to issue bonus shares. A share premium arises in accounts when a company raises capital

but in a different form—the advantage that this gives them in higher income. This raises the whole question of GEC's capital structure which, on the basis of the 1976 accounts consisted of 86 per cent. shareholders' funds and 14 per cent. borrowed money—a remarkably low debt equity ratio! Now, because GEC has been lucky enough not to turn its share premium account into bonus shares a large proportion of the premium is being reclassified as debt and the debt/equity ratio suddenly looks much less imbalanced with 66 per cent. of equity and 34 per cent. of debt.

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## COMMODITIES/Review of the week

### Sugar slips to three-year low

BY OUR COMMODITIES STAFF

AFTER WEEKS of very quiet trading world sugar values moved down sharply this week following the announcement of an unexpectedly large Soviet crop. The London daily raws price fell 5p to £107 a tonne, the lowest level since November 1973 while the London refined terminal market the May position declined 6.6p to £122.475 a tonne.

The Russian crop had been expected to reach about 8m. tonnes but on Wednesday the Soviet Agriculture Minister put the best crop at 8.5m. tonnes, indicating a sugar output of around 9.5-10m. tonnes.

Later the U.S. Agriculture Department (USDA) forecast a record world crop of 37.5m. tonnes for the 1976/77 season. This figure was broadly in line with market thinking: (some dealers felt a larger crop was likely) but included a Russian figure of 8.2m. tonnes which had already been outdated.

London trader C. Czarnikow meanwhile forecast a 2m. to 3m. tonnes increase in world sugar stocks during the 1976/77 season. Coffee futures fell heavily this week on the London terminal market. Monday's \$101.5 fall in movements London terminal \$79.25 a tonne, 20.25 above pre-May position wiped out the

markets cocoa values ended the New Year levels.



week sharply higher with the May position quoted at £1,973.5 a tonne up £10 on the week. May cocoa rose 57s a tonne yesterday following the announcement of U.S. fourth quarter grindings 8.2 per cent. below the corresponding 1975 figure.

Base metals started the new year on a firmer note with lead and zinc prices boosted by cuts in warehouse stocks, tin by Bolivia's refusal to ratify the fifth International Tin Agreement unless the price range was raised, and copper by higher New York prices on Monday (when London was closed).

The Bolivian tin pact stood prompted a compromise suggestion that higher 'Box' and ceiling 'price' should be agreed at the April Tin Council Meeting.

After a two-day meeting in London, the Council last night set up a working party to consider the Bolivian action.

Forecasts of a sharp rise in London Metal Exchange copper prices yesterday cancelled out a still left Brazilian prices below firmer overnight tone in New York and at the close cash wire-work on the London terminal market. Monday's \$101.5 fall in movements London terminal \$79.25 a tonne, 20.25 above pre-May position wiped out the

## MARKET REPORTS

### BASE METALS

COPPER—Barely changed on both the day and the week on the London Metal Exchange. Prices moved ahead in late afternoon. The market was raised, further rise on Monday as any doubts of further rise yesterday were dispelled by fears that warehouse stocks will show a big rise. Forward metal opened at 224 and quickly closed at the day's high of 225.50. Three months 225.50, six months 226.50, and twelve months 227.50.

### SILVER

	Bullion price	±	L.M.E. price	±
Spot	252.50	+0.25	257.90	+1.2
3 months	267.50	+0.6	267.50	+0.6
6 months	276.70	+0.7	279.50	+0.8
12 months	295.70	+1.0	295.70	+1.0

### COFFEE

Robusta futures closed easy in active trading with the closing call extended by some 17 minutes. By the close most positions were trading around the day's lows with Spot Jan. trading back into the 22.90 area.

### WHEAT

Non-breadmaking milling wheat—Norfolk 24.25, Fife wheat—Norfolk 23.00, Market wheat—Norfolk 22.15.

### COCOA

	Yesterday's close	±	Business Done
Nov/Dec	2023.0-24.0	+65.0	2025.0-1970
Jan/Feb	1972.0-75.0	+75.0	1974.0-18.0
Mar/Apr	1825.0-15.0	+7.0	1818.0-81.0
May/June	1842.0-44.0	+7.0	1843.0-78.0
July/Aug	1890.0-88.0	+5.0	1889.0-45.0
Sept/Oct	1940.0-40.0	+5.0	1940.0-11.0
Nov/Dec	1982.0-82.0	+5.0	1982.0-82.0

### SOYABEAN MEAL

The market opened with strong bullish sentiment at 22.00 up. Strength in the Chicago market stimulated by continued upward movement in corn price. Firm and close on the high. S.W. Commodities reports.

### JUTE

LONDON—Jute, Bangladesh White 'C' grade Jan. Feb. 1977, 172.25, 174.00, 175.00, 176.00, 177.00, 178.00, 179.00, 180.00, 181.00, 182.00, 183.00, 184.00, 185.00, 186.00, 187.00, 188.00, 189.00, 190.00, 191.00, 192.00, 193.00, 194.00, 195.00, 196.00, 197.00, 198.00, 199.00, 200.00.

### RUBBER

STEADILY opening on the London physical market. Good interest through out day closing firm. News and Fed reported a Malaysian godown price of 295 (205 cents a kilo rubber, January).

### WHEAT

Non-breadmaking milling wheat—Norfolk 24.25, Fife wheat—Norfolk 23.00, Market wheat—Norfolk 22.15.

### COFFEE

Robusta futures closed easy in active trading with the closing call extended by some 17 minutes. By the close most positions were trading around the day's lows with Spot Jan. trading back into the 22.90 area.

### SOYABEAN MEAL

The market opened with strong bullish sentiment at 22.00 up. Strength in the Chicago market stimulated by continued upward movement in corn price. Firm and close on the high. S.W. Commodities reports.

### JUTE

LONDON—Jute, Bangladesh White 'C' grade Jan. Feb. 1977, 172.25, 174.00, 175.00, 176.00, 177.00, 178.00, 179.00, 180.00, 181.00, 182.00, 183.00, 184.00, 185.00, 186.00, 187.00, 188.00, 189.00, 190.00, 191.00, 192.00, 193.00, 194.00, 195.00, 196.00, 197.00, 198.00, 199.00, 200.00.

## U.S. Markets

### Cocoa up, copper and coffee down

COPPER CLOSED the London Metal Exchange following trading steps due to anticipated increase in LME stocks. Copper 225.50, 226.50, 227.50, 228.50, 229.50, 230.50, 231.50, 232.50, 233.50, 234.50, 235.50, 236.50, 237.50, 238.50, 239.50, 240.50, 241.50, 242.50, 243.50, 244.50, 245.50, 246.50, 247.50, 248.50, 249.50, 250.50, 251.50, 252.50, 253.50, 254.50, 255.50, 256.50, 257.50, 258.50, 259.50, 260.50, 261.50, 262.50, 263.50, 264.50, 265.50, 266.50, 267.50, 268.50, 269.50, 270.50, 271.50, 272.50, 273.50, 274.50, 275.50, 276.50, 277.50, 278.50, 279.50, 280.50, 281.50, 282.50, 283.50, 284.50, 285.50, 286.50, 287.50, 288.50, 289.50, 290.50, 291.50, 292.50, 293.50, 294.50, 295.50, 296.50, 297.50, 298.50, 299.50, 300.50.

### COPPER

COPPER CLOSED the London Metal Exchange following trading steps due to anticipated increase in LME stocks. Copper 225.50, 226.50, 227.50, 228.50, 229.50, 230.50, 231.50, 232.50, 233.50, 234.50, 235.50, 236.50, 237.50, 238.50, 239.50, 240.50, 241.50, 242.50, 243.50, 244.50, 245.50, 246.50, 247.50, 248.50, 249.50, 250.50, 251.50, 252.50, 253.50, 254.50, 255.50, 256.50, 257.50, 258.50, 259.50, 260.50, 261.50, 262.50, 263.50, 264.50, 265.50, 266.50, 267.50, 268.50, 269.50, 270.50, 271.50, 272.50, 273.50, 274.50, 275.50, 276.50, 277.50, 278.50, 279.50, 280.50, 281.50, 282.50, 283.50, 284.50, 285.50, 286.50, 287.50, 288.50, 289.50, 290.50, 291.50, 292.50, 293.50, 294.50, 295.50, 296.50, 297.50, 298.50, 299.50, 300.50.

### COFFEE

Robusta futures closed easy in active trading with the closing call extended by some 17 minutes. By the close most positions were trading around the day's lows with Spot Jan. trading back into the 22.90 area.

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### JUTE

LONDON—Jute, Bangladesh White 'C' grade Jan. Feb. 1977, 172.25, 174.00, 175.00, 176.00, 177.00, 178.00, 179.00, 180.00, 181.00, 182.00, 183.00, 184.00, 185.00, 186.00, 187.00, 188.00, 189.00, 190.00, 191.00, 192.00, 193.00, 194.00, 195.00, 196.00, 197.00, 198.00, 199.00, 200.00.







Table of financial data including company names, stock prices, and market indices.

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Table titled 'BUILDING SOCIETY RATES' showing interest rates for various building societies.

Table titled 'NEW HIGHS AND LOWS FOR 1/77' listing high and low stock prices for various companies.

Table titled 'RISES AND FALLS' showing daily price changes for various stocks.

Table titled 'ACTIVE STOCKS YESTERDAY' showing closing prices and changes for active stocks.

Additional text and footnotes at the bottom of the page.



# STOCK EXCHANGE REPORT

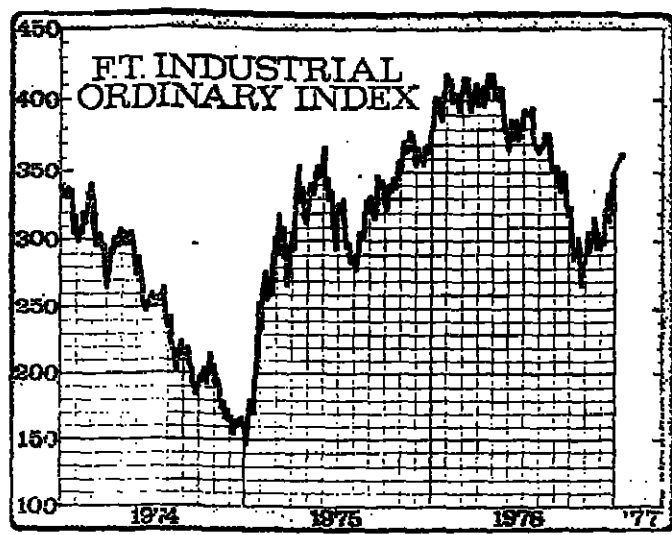
## Markets featured by strength and activity in Gilts Leaders dip and rally—Index down 2.5 at 365.3, after 358.7

### Account Dealing Dates

Option  
First Account Last Account  
Dealings Dealings  
Dec. 13 Dec. 30 Dec. 31 Jan. 12  
Jan. 4 Jan. 13 Jan. 14 Jan. 25  
Jan. 17 Jan. 27 Jan. 28 Feb. 6

"New time" dealings may take place from 9.30 a.m. two business days earlier.

The strength and activity in British Funds featured stock markets yesterday, the strong performance in this sector tempted buyers back into the equity leaders which had earlier sustained a sharp setback. News that the long tap had been exhausted prompted a heavy demand for other stocks in this area of the Funds and, although closing prices were slightly below the best, final gains extended to 21. In contrast, rises in the shorts were limited to 10, but there was still a very lively trade and the amount of a new short tap after the close was favourably received. The Government Securities Index advanced 0.73 to 61.59 for an uninterrupted seven-day rise of 1.86.



shown in official markings of 7.884, the highest since March 3, 1976.

### Gilts buoyant

The surprising exhaustion of the £700m. long tap, which made its debut only last Tuesday, signalled a sharp upward move in long-dated British Funds which took the stock Treasury 121 per cent. 1996, A. to 1021, before settling a net 21 points higher at 1011. With sellers very scarce and little stock available, remaining long made widespread advances extending to 11 while some mediums were a point and more up. The shorter end of the market was also extremely busy but the assumption that a new issue would be announced, confirmed later as a £600m. issue of the capital reorganisation scheme, Evesquever 121 per cent. 1981, to be issued at 961, was a major restraint. After the long tap, the reaction was short-lived and after-hours quotations were trending higher. Optimists were forecast- ing good applications for the new stock and, given a continuation of this week's trend, perhaps an oversubscription. Minimum Lending Rate was reduced 1/4 to 14 per cent, as widely expected.

### Discounts do well

Reflecting the continuing buoyancy of the gilt-edged market, Discounts showed gains ranging to 10. Banks gave an erratic performance but were widely looking firmer in after-hours trading. Barclays ended 2 better at 267, after extremes of 263p and 258p. A busier day in Insurances was marked by modest gains in the majority. Helms, where the Commercial Union rallied from 10p to close 3 to the good 1120. Life issues weakened, up however. Equity and Law and Legal and General both ending 3 1/2p and 1 1/2p respectively. Breweries and kindred issues displayed no set trend following a reasonable turnover. Allied lifted L. Gardner 15 to 140p, while the former's Convertible Preference jumped 1/4 to 28p. Buildings were mixed. Redland rose 3 to 90p, while Taylor down 10 to 445p, were also Woodrow, 322p, and R. Costain, subjected to profit-taking in front

of Wednesday's annual results. Swan Brothers, Shipbuilders, responded to the two new ship orders, worth £18m, by gaining 4 1/2 to 46 1/2p.

ICI put on an erratic performance, falling to 345p before rallying to 350p, after 338p, on the week of 3 for a rise on the balance of 3. British Tar Products hardened 1 1/2 to 304p and British Benzol moved up 2 to 26p.

### GEC react

After-the-event profit-taking brought GEC back sharply from Thursday's 276.77 peak to 270p to 106p before a close of 12 down on the day at 108p; the capital reorganisation details were viewed satisfactorily. EMI ended 4 easier at 209p, after 222p, while BICC, 85p, and Plessey, 65p, shed 21/2p. Thorn Electrical A reacted 10 to 212p. Falls of 4 were seen in Mailhead, 21p, and BSR, 101p, while Rasel Electronics finished 5 off at 240p, after 238p. Electronic Rentals eased 2 to 49p on further consideration of the latter report, but Comet Radio continued to trade near its peak, moved up 3 to 47p for a two-day gain of 5. Audio Fidelity hardened 2 1/2 to 241p.

After Thursday's late downturn, scores eased fresh on small selling before rallying late to close 1/4 higher on balance. Of the firm spots, Home Charm, 88p, and Wides A, 30p, put on a 3p. Leading Engineering, 111p, strated the late recovery by rising 1/2 to 115p and GIP 5 to 21p. Dunlop featured late in Motors and Distributors with a jump of 5 to 81p following an announcement by its partner Pirelli S.P.A. that it was making a profitable sale of its 100 per cent. share in Dunlop Tyres to P. J. Perry responded to Press comment with a rise of 4 to 65p, but Lucas Industries closed 4 cheaper at 211p following reports that British Leyland is to compete in the car parts market.

Newspapers with North Sea oil content were finally only marginally lower. Associated closing 1/2 at 190p after a 1 1/2p fall. Thomson's 3 cheaper at 385p, after 380p, A. and C. Black, in Publishers, picked up 3 to 53p.

Petroleum eased 2 to 224p, after 218p, owing to the continued absence of American interest. Secondary Oils were sensitive and, after reacting initially, rallied to close with little change. Following the general turn-around, the bias in Properties was towards small late rises. Land Securities settled a net 2 higher at 148p, after 145p, and MFCP were the same amount dearer at 105p, after 102p. A New Year investment recommendation lifted A. and J. Mucklow 5 to 145p, but Avenue Close remained a 50p, despite the murder than doubled half-yearly revenue.

### Beecham dip and rally

Early losses ranging to 9 were reduced to only 2 in some cases following a strong late rally in the Industrial leaders on the back of the further upsurge in gilt edged. Beecham rallied to close unaltered at 858p, after 376p, following the clearance of a large line of stock which had been overhauling the market. Glaxo ended 2 off at 405p, after 398p and Boots were only a penny easier at 120p, after 117p. Rank Organisation, however, failed to take part in the late improvement and closed 7 down at 145p and Reckitt and Colman ended 8 off at 242p, after 250p. Irregular, Tote monopoly fears continued to cloud sentiment in Coral Leisure, which eased a penny more to 99p for a fall on the week of 8. De La Rue ran back 10 to 242p and profit-taking after the recent advance left English China Clays results due next Thursday 3 off at 370p. Imperial Knife's improved offer of 30p cash for the Richard (Sheffield) prompted a mark-up of 3 to 291p in the latter and success came for Philips (London), 24p and Hunting Associated, 82p, which rose 4 and 6 respectively. Kleeman Industrial added 3 to 172p as did Robert McBride, 10p.

Dunlop featured late in Motors and Distributors with a jump of 5 to 81p following an announcement by its partner Pirelli S.P.A. that it was making a profitable sale of its 100 per cent. share in Dunlop Tyres to P. J. Perry responded to Press comment with a rise of 4 to 65p, but Lucas Industries closed 4 cheaper at 211p following reports that British Leyland is to compete in the car parts market.

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Overseas Traders turned easier after recent firmness, Harrison's and Crossfield shedding 13 to 412p, and in Investment Trusts and prices generally gave ground. However, the half-yearly figures and news of the acquisition of Scotia Bureau helped Eskdale House improve 2 1/2 to 411p.

Business volume contracted again in Shippings and the closing trend was narrowly mixed. Readson Smith added 1 1/2 to 170p, while the 2 harder at 170p. The late market rally left Courtauld 2 better at 98p, after 95p. Elsewhere in Textiles Caird (Dundee) improved 2 to 17p and Nottingham Manufacturing rose 3 to 65p but Carpets International, 33p, relinquished 3 of the previous day's rise of 51p.

Tobacco prices featured by P. J. House which put on 10 to 120p in response to good results and the proposed 30 per cent. scrip issue. Imps hardened 1/2 to 80p, after 78p, while after being 5 easier, B&W Industries, 280p, and the Belferred, 240p, recovered to close at the overnight levels.

Gold Fields Properties continued firmly in South African Industrials, closing 3 higher at 800p, A. and C. Black, in Publishers, picked up 3 to 53p.

	Jan. 7	Jan. 6	Jan. 5	Jan. 4	Jan. 3	Jan. 2	Jan. 1
Government Secs	61.59	60.86	60.05	60.45	60.29	60.74	60.74
Fixed Interest	61.03	60.35	60.09	60.49	60.48	60.74	60.74
Industrial Ordinary	365.3	367.8	369.6	369.6	369.7	371.0	371.0
Industrial All-Share	117.4	118.6	118.1	120.1	119.8	121.6	121.6
Inst. Inv. Yield	6.18	6.06	6.14	6.17	6.25	6.31	6.31
Inst. Inv. Yield (incl. Div.)	12.15	12.09	12.22	12.38	12.55	12.70	12.70
Inst. Inv. Yield (incl. Div. & Int.)	7.65	7.73	7.82	7.98	7.98	7.98	7.98
Debtless Govt. Secs	7.884	6.661	5.176	4.145	4.016	3.513	3.513
Equity (incl. Govt. Secs)	85.87	87.21	88.15	88.15	88.15	88.15	88.15
Equity (excl. Govt. Secs)	17.816	18.572	18.856	18.870	18.870	18.870	18.870

Govt. Secs	1977		Since Completion	
	High	Low	High	Low
Govt. Secs	66.81	65.00	127.9	49.48
Fixed Int.	64.43	65.47	100.8	50.53
Inst. Inv.	120.8	120.0	181.4	117.0
Gold Mines	368.9	378.8	442.5	28.10

	Jan. 7	Jan. 6	Jan. 5	Jan. 4	Jan. 3	Jan. 2	Jan. 1
Daily Gilt-Edged	321.0	321.0	321.0	321.0	321.0	321.0	321.0
Industrial Ordinary	365.3	367.8	369.6	369.6	369.7	371.0	371.0
Industrial All-Share	117.4	118.6	118.1	120.1	119.8	121.6	121.6
Inst. Inv. Yield	6.18	6.06	6.14	6.17	6.25	6.31	6.31
Inst. Inv. Yield (incl. Div.)	12.15	12.09	12.22	12.38	12.55	12.70	12.70
Inst. Inv. Yield (incl. Div. & Int.)	7.65	7.73	7.82	7.98	7.98	7.98	7.98

London  
Asiatic and Pataling improved 2 and 3 respectively to the 100p level of 57p, while Golden Eagle held steady at 83p.

Among the heavyweights Western Holdings stood out with a half-point gain to 141p, while Randfontein rose 2 to 221p. In the afternoon, prices of over-the-counter issues President Steyn advanced 20 to 640. Business in the overseas-based Financials was minimal.

Selection Trust, which on Wednesday announced further good drilling results from its Teonitic Bore copper-zinc-silver prospect in Western Australia, eased 5 to 470p after profit-taking but were still 30 better over the week. Charter House rose 10 to 150p, but retained 10 up on the week.

Minorex continued to feature in Coppers; the shares put on 5p more to 180p and have risen 20p over the past two days to 180p. U.S. Commodity, Palabora advanced 40 to 600p.

At the company's request deal-

Bank	Rate
A.B.N. Bank	14
Allied Irish Bank Ltd	14
American Express Bank Ltd	14
Anglo-Portuguese Bank Ltd	14
Anglo-Siam Bank Ltd	14
Bank of Baroda	14
Bank of China	14
Bank of India	14
Bank of Japan	14
Bank of Korea	14
Bank of Malaya	14
Bank of Mauritius	14
Bank of New Zealand	14
Bank of Oman	14
Bank of Persia	14
Bank of Siam	14
Bank of South Africa	14
Bank of Sri Lanka	14
Bank of Thailand	14
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Bank of Italy	14
Bank of Japan	14
Bank of Korea	14
Bank of Kuwait	14
Bank of Laos	14
Bank of Luxembourg	14
Bank of Malaya	14
Bank of Mauritius	14
Bank of Mexico	14
Bank of Monaco	14
Bank of Morocco	14
Bank of New Zealand	14
Bank of Oman	14
Bank of Pakistan	14
Bank of Persia	14
Bank of Portugal	14
Bank of Qatar	14
Bank of Romania	14
Bank of Saudi Arabia	14
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Bank of Korea	14
Bank of Kuwait	14



AUTHORISED UNIT TRUSTS

STOCK INDICES
S.E. ACT
BASE LENDING RATES

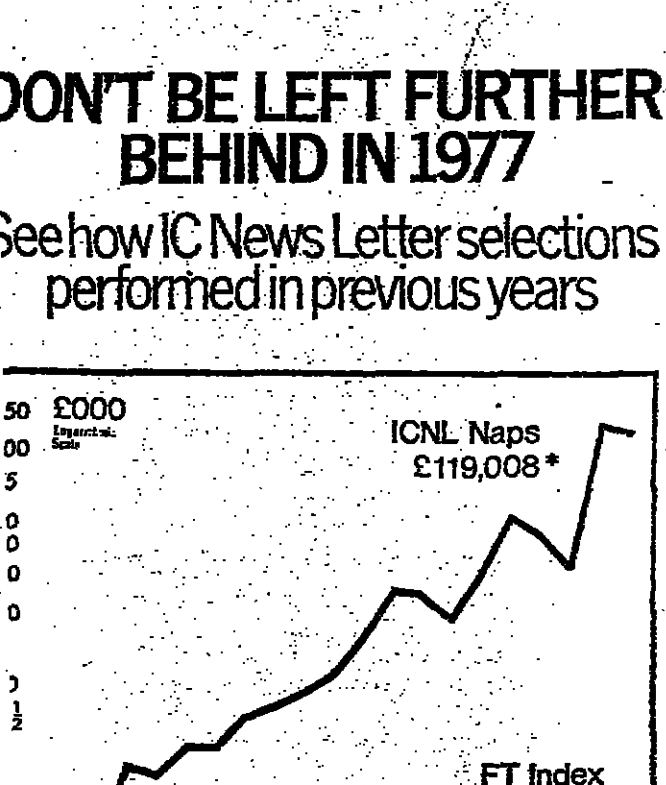
Table of Unit Trusts (left column), including Abbey Unit Tr. Mgrs. Ltd., Bridge Fund Managers, and various equity and bond funds.

Table of Unit Trusts (middle column), including Discretionary Unit Fund Managers, Equities Secs. Ltd., and various international and domestic equity funds.

Table of Unit Trusts (right column), including Key Fund Managers Ltd., Kleinwort Benson Unit Managers, and various bond and income funds.

Table of Unit Trusts (far right column), including Save & Prosper Group, Target Tr. Mgrs. Ltd., and various international and specialty funds.

REGIONAL MARKETS
A selection of the share prices previously shown under regional headings is repeated below with quotations on London 1976 issues.



DONT BE LEFT FURTHER BEHIND IN 1977
See how IC News Letter selections performed in previous years
At the beginning of every year the IC News Letter selects a number of shares...

INSURANCE, PROPERTY, BONDS
Table listing various insurance and investment products from companies like Abbey Life Assurance, City of Westminster Assur. Soc., and others.

OFFSHORE AND OVERSEAS FUNDS
Table listing various offshore and overseas investment funds from companies like Arabtrust Securities, Charterhouse Japhet, and others.

NOTES
Price do not include 5% premium, where applicable...



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Tel: 01-253 4474.

# FT SHARE INFORMATION SERVICE

**BRITISH FUNDS**

Shorts (Lives up to Five Years)

High	Low	Stock	Price	Dr. Gross	Yield	Div. Pct.
98.75	95.50	Treasury Stock 1977-78	98.75	100	12.75	11.38
101.50	97.00	Treasury Stock 1978-79	101.50	100	12.75	11.38
99.50	96.00	Treasury Stock 1979-80	99.50	100	12.75	11.38
98.50	95.50	Treasury Stock 1980-81	98.50	100	12.75	11.38
97.50	94.50	Treasury Stock 1981-82	97.50	100	12.75	11.38
96.50	93.50	Treasury Stock 1982-83	96.50	100	12.75	11.38
95.50	92.50	Treasury Stock 1983-84	95.50	100	12.75	11.38
94.50	91.50	Treasury Stock 1984-85	94.50	100	12.75	11.38
93.50	90.50	Treasury Stock 1985-86	93.50	100	12.75	11.38
92.50	89.50	Treasury Stock 1986-87	92.50	100	12.75	11.38
91.50	88.50	Treasury Stock 1987-88	91.50	100	12.75	11.38
90.50	87.50	Treasury Stock 1988-89	90.50	100	12.75	11.38
89.50	86.50	Treasury Stock 1989-90	89.50	100	12.75	11.38
88.50	85.50	Treasury Stock 1990-91	88.50	100	12.75	11.38
87.50	84.50	Treasury Stock 1991-92	87.50	100	12.75	11.38
86.50	83.50	Treasury Stock 1992-93	86.50	100	12.75	11.38
85.50	82.50	Treasury Stock 1993-94	85.50	100	12.75	11.38
84.50	81.50	Treasury Stock 1994-95	84.50	100	12.75	11.38
83.50	80.50	Treasury Stock 1995-96	83.50	100	12.75	11.38
82.50	79.50	Treasury Stock 1996-97	82.50	100	12.75	11.38
81.50	78.50	Treasury Stock 1997-98	81.50	100	12.75	11.38
80.50	77.50	Treasury Stock 1998-99	80.50	100	12.75	11.38
79.50	76.50	Treasury Stock 1999-00	79.50	100	12.75	11.38
78.50	75.50	Treasury Stock 2000-01	78.50	100	12.75	11.38
77.50	74.50	Treasury Stock 2001-02	77.50	100	12.75	11.38
76.50	73.50	Treasury Stock 2002-03	76.50	100	12.75	11.38
75.50	72.50	Treasury Stock 2003-04	75.50	100	12.75	11.38
74.50	71.50	Treasury Stock 2004-05	74.50	100	12.75	11.38
73.50	70.50	Treasury Stock 2005-06	73.50	100	12.75	11.38
72.50	69.50	Treasury Stock 2006-07	72.50	100	12.75	11.38
71.50	68.50	Treasury Stock 2007-08	71.50	100	12.75	11.38
70.50	67.50	Treasury Stock 2008-09	70.50	100	12.75	11.38
69.50	66.50	Treasury Stock 2009-10	69.50	100	12.75	11.38
68.50	65.50	Treasury Stock 2010-11	68.50	100	12.75	11.38
67.50	64.50	Treasury Stock 2011-12	67.50	100	12.75	11.38
66.50	63.50	Treasury Stock 2012-13	66.50	100	12.75	11.38
65.50	62.50	Treasury Stock 2013-14	65.50	100	12.75	11.38
64.50	61.50	Treasury Stock 2014-15	64.50	100	12.75	11.38
63.50	60.50	Treasury Stock 2015-16	63.50	100	12.75	11.38
62.50	59.50	Treasury Stock 2016-17	62.50	100	12.75	11.38
61.50	58.50	Treasury Stock 2017-18	61.50	100	12.75	11.38
60.50	57.50	Treasury Stock 2018-19	60.50	100	12.75	11.38
59.50	56.50	Treasury Stock 2019-20	59.50	100	12.75	11.38
58.50	55.50	Treasury Stock 2020-21	58.50	100	12.75	11.38
57.50	54.50	Treasury Stock 2021-22	57.50	100	12.75	11.38
56.50	53.50	Treasury Stock 2022-23	56.50	100	12.75	11.38
55.50	52.50	Treasury Stock 2023-24	55.50	100	12.75	11.38
54.50	51.50	Treasury Stock 2024-25	54.50	100	12.75	11.38
53.50	50.50	Treasury Stock 2025-26	53.50	100	12.75	11.38
52.50	49.50	Treasury Stock 2026-27	52.50	100	12.75	11.38
51.50	48.50	Treasury Stock 2027-28	51.50	100	12.75	11.38
50.50	47.50	Treasury Stock 2028-29	50.50	100	12.75	11.38
49.50	46.50	Treasury Stock 2029-30	49.50	100	12.75	11.38
48.50	45.50	Treasury Stock 2030-31	48.50	100	12.75	11.38
47.50	44.50	Treasury Stock 2031-32	47.50	100	12.75	11.38
46.50	43.50	Treasury Stock 2032-33	46.50	100	12.75	11.38
45.50	42.50	Treasury Stock 2033-34	45.50	100	12.75	11.38
44.50	41.50	Treasury Stock 2034-35	44.50	100	12.75	11.38
43.50	40.50	Treasury Stock 2035-36	43.50	100	12.75	11.38
42.50	39.50	Treasury Stock 2036-37	42.50	100	12.75	11.38
41.50	38.50	Treasury Stock 2037-38	41.50	100	12.75	11.38
40.50	37.50	Treasury Stock 2038-39	40.50	100	12.75	11.38
39.50	36.50	Treasury Stock 2039-40	39.50	100	12.75	11.38
38.50	35.50	Treasury Stock 2040-41	38.50	100	12.75	11.38
37.50	34.50	Treasury Stock 2041-42	37.50	100	12.75	11.38
36.50	33.50	Treasury Stock 2042-43	36.50	100	12.75	11.38
35.50	32.50	Treasury Stock 2043-44	35.50	100	12.75	11.38
34.50	31.50	Treasury Stock 2044-45	34.50	100	12.75	11.38
33.50	30.50	Treasury Stock 2045-46	33.50	100	12.75	11.38
32.50	29.50	Treasury Stock 2046-47	32.50	100	12.75	11.38
31.50	28.50	Treasury Stock 2047-48	31.50	100	12.75	11.38
30.50	27.50	Treasury Stock 2048-49	30.50	100	12.75	11.38
29.50	26.50	Treasury Stock 2049-50	29.50	100	12.75	11.38
28.50	25.50	Treasury Stock 2050-51	28.50	100	12.75	11.38
27.50	24.50	Treasury Stock 2051-52	27.50	100	12.75	11.38
26.50	23.50	Treasury Stock 2052-53	26.50	100	12.75	11.38
25.50	22.50	Treasury Stock 2053-54	25.50	100	12.75	11.38
24.50	21.50	Treasury Stock 2054-55	24.50	100	12.75	11.38
23.50	20.50	Treasury Stock 2055-56	23.50	100	12.75	11.38
22.50	19.50	Treasury Stock 2056-57	22.50	100	12.75	11.38
21.50	18.50	Treasury Stock 2057-58	21.50	100	12.75	11.38
20.50	17.50	Treasury Stock 2058-59	20.50	100	12.75	11.38
19.50	16.50	Treasury Stock 2059-60	19.50	100	12.75	11.38
18.50	15.50	Treasury Stock 2060-61	18.50	100	12.75	11.38
17.50	14.50	Treasury Stock 2061-62	17.50	100	12.75	11.38
16.50	13.50	Treasury Stock 2062-63	16.50	100	12.75	11.38
15.50	12.50	Treasury Stock 2063-64	15.50	100	12.75	11.38
14.50	11.50	Treasury Stock 2064-65	14.50	100	12.75	11.38
13.50	10.50	Treasury Stock 2065-66	13.50	100	12.75	11.38
12.50	9.50	Treasury Stock 2066-67	12.50	100	12.75	11.38
11.50	8.50	Treasury Stock 2067-68	11.50	100	12.75	11.38
10.50	7.50	Treasury Stock 2068-69	10.50	100	12.75	11.38
9.50	6.50	Treasury Stock 2069-70	9.50	100	12.75	11.38
8.50	5.50	Treasury Stock 2070-71	8.50	100	12.75	11.38
7.50	4.50	Treasury Stock 2071-72	7.50	100	12.75	11.38
6.50	3.50	Treasury Stock 2072-73	6.50	100	12.75	11.38
5.50	2.50	Treasury Stock 2073-74	5.50	100	12.75	11.38
4.50	1.50	Treasury Stock 2074-75	4.50	100	12.75	11.38
3.50	0.50	Treasury Stock 2075-76	3.50	100	12.75	11.38
2.50	0.00	Treasury Stock 2076-77	2.50	100	12.75	11.38
1.50	0.00	Treasury Stock 2077-78	1.50	100	12.75	11.38
0.50	0.00	Treasury Stock 2078-79	0.50	100	12.75	11.38
0.00	0.00	Treasury Stock 2079-80	0.00	100	12.75	11.38

**CANADIANS**

High	Low	Stock	Price	Dr. Gross	Yield	Div. Pct.
100.00	95.00	Bank of Montreal	100.00	100	12.75	11.38
98.00	93.00	Imperial Oil	98.00	100	12.75	11.38
96.00	91.00	Canadian Pacific	96.00	100	12.75	11.38
94.00	89.00	Alcan	94.00	100	12.75	11.38
92.00	87.00	Canadian National	92.00	100	12.75	11.38
90.00	85.00	Canadian Tire	90.00	100	12.75	11.38
88.00	83.00	Canadian West	88.00	100	12.75	11.38
86.00	81.00	Canadian National	86.00	100	12.75	11.38
84.00	79.00	Canadian National	84.00	100	12.75	11.38
82.00	77.00	Canadian National	82.00	100	12.75	11.38
80.00	75.00	Canadian National	80.00	100	12.75	11.38
78.00	73.00	Canadian National	78.00	100	12.75	11.38
76.00	71.00	Canadian National	76.00	100	12.75	11.38
74.00	69.00	Canadian National	74.00	100	12.75	11.38
72.00	67.00	Canadian National	72.00	100	12.75	11.38
70.00	65.00	Canadian National	70.00	100	12.75	11.38
68.00	63.00	Canadian National	68.00	100	12.75	11.38
66.00	61.00	Canadian National	66.00	100	12.75	11.38
64.00	59.00	Canadian National	64.00	100	12.75	11.38
62.00	57.00	Canadian National	62.00	100	12.75	11.38
60.00	55.00	Canadian National	60.00	100	12.75	11.38
58.00	53.00	Canadian National	58.00	100	12.75	11.38
56.00	51.00	Canadian National	56.00	100	12.75	11.38
54.00	49.00	Canadian National	54.00	100	12.75	11.38
52.00	47.00	Canadian National	52.00	100	12.75	11.38
50.00	45.00	Canadian National	50.00	100	12.75	11.38
48.00	43.00	Canadian National	48.00	100	12.75	11.38
46.00	41.00	Canadian National	46.00	100	12.75	11.38
44.00	39.00	Canadian National	44.00	100	12.75	11.38
42.00	37.00	Canadian National	42.00	100	12.75	11.38
40.00	35.00	Canadian National	40.00	100	12.75	11.38
38.00	33.00	Canadian National	38.00	100	12.75	11.38
36.00	31.00	Canadian National	36.00	100	12.75	11.38
34.00	29.00	Canadian National	34.00	100	12.75	11.38
32.00	27.00	Canadian National	32.00	100	12.75	11.38
30.00	25.00	Canadian National	30.00	1		



The Financial Times Saturday January 8, 1977

INDUSTRIALS - Continued

Table of industrial stocks including Anglo American, Anglo Coal, Anglo Iron, Anglo Steel, Anglo Zinc, Anglo Lead, Anglo Copper, Anglo Nickel, Anglo Platinum, Anglo Silver, Anglo Uranium, Anglo Gold, Anglo Iron Ore, Anglo Coal, Anglo Iron, Anglo Steel, Anglo Zinc, Anglo Lead, Anglo Copper, Anglo Nickel, Anglo Platinum, Anglo Silver, Anglo Uranium, Anglo Gold, Anglo Iron Ore.

INSURANCE

Table of insurance companies including Anglo American Insurance, Anglo Coal Insurance, Anglo Iron Insurance, Anglo Steel Insurance, Anglo Zinc Insurance, Anglo Lead Insurance, Anglo Copper Insurance, Anglo Nickel Insurance, Anglo Platinum Insurance, Anglo Silver Insurance, Anglo Uranium Insurance, Anglo Gold Insurance, Anglo Iron Ore Insurance.

PROPERTY - Continued

Table of property stocks including Anglo American Property, Anglo Coal Property, Anglo Iron Property, Anglo Steel Property, Anglo Zinc Property, Anglo Lead Property, Anglo Copper Property, Anglo Nickel Property, Anglo Platinum Property, Anglo Silver Property, Anglo Uranium Property, Anglo Gold Property, Anglo Iron Ore Property.

TRUSTS - Continued

Table of trusts including Anglo American Trusts, Anglo Coal Trusts, Anglo Iron Trusts, Anglo Steel Trusts, Anglo Zinc Trusts, Anglo Lead Trusts, Anglo Copper Trusts, Anglo Nickel Trusts, Anglo Platinum Trusts, Anglo Silver Trusts, Anglo Uranium Trusts, Anglo Gold Trusts, Anglo Iron Ore Trusts.

SUMITOMO HEAVY INDUSTRIES, LTD. Tokyo, Japan. For ocean development, systems engineering, and environment protection.

MINES - Continued

Table of mine stocks including Anglo American Mines, Anglo Coal Mines, Anglo Iron Mines, Anglo Steel Mines, Anglo Zinc Mines, Anglo Lead Mines, Anglo Copper Mines, Anglo Nickel Mines, Anglo Platinum Mines, Anglo Silver Mines, Anglo Uranium Mines, Anglo Gold Mines, Anglo Iron Ore Mines.

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Table of motor and cycle stocks including Anglo American Motors, Anglo Coal Motors, Anglo Iron Motors, Anglo Steel Motors, Anglo Zinc Motors, Anglo Lead Motors, Anglo Copper Motors, Anglo Nickel Motors, Anglo Platinum Motors, Anglo Silver Motors, Anglo Uranium Motors, Anglo Gold Motors, Anglo Iron Ore Motors.

Commercial Vehicles

Table of commercial vehicle stocks including Anglo American Commercial Vehicles, Anglo Coal Commercial Vehicles, Anglo Iron Commercial Vehicles, Anglo Steel Commercial Vehicles, Anglo Zinc Commercial Vehicles, Anglo Lead Commercial Vehicles, Anglo Copper Commercial Vehicles, Anglo Nickel Commercial Vehicles, Anglo Platinum Commercial Vehicles, Anglo Silver Commercial Vehicles, Anglo Uranium Commercial Vehicles, Anglo Gold Commercial Vehicles, Anglo Iron Ore Commercial Vehicles.

Components

Table of component stocks including Anglo American Components, Anglo Coal Components, Anglo Iron Components, Anglo Steel Components, Anglo Zinc Components, Anglo Lead Components, Anglo Copper Components, Anglo Nickel Components, Anglo Platinum Components, Anglo Silver Components, Anglo Uranium Components, Anglo Gold Components, Anglo Iron Ore Components.

Gas and Distributors

Table of gas and distributor stocks including Anglo American Gas and Distributors, Anglo Coal Gas and Distributors, Anglo Iron Gas and Distributors, Anglo Steel Gas and Distributors, Anglo Zinc Gas and Distributors, Anglo Lead Gas and Distributors, Anglo Copper Gas and Distributors, Anglo Nickel Gas and Distributors, Anglo Platinum Gas and Distributors, Anglo Silver Gas and Distributors, Anglo Uranium Gas and Distributors, Anglo Gold Gas and Distributors, Anglo Iron Ore Gas and Distributors.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including Anglo American Newspapers, Anglo Coal Newspapers, Anglo Iron Newspapers, Anglo Steel Newspapers, Anglo Zinc Newspapers, Anglo Lead Newspapers, Anglo Copper Newspapers, Anglo Nickel Newspapers, Anglo Platinum Newspapers, Anglo Silver Newspapers, Anglo Uranium Newspapers, Anglo Gold Newspapers, Anglo Iron Ore Newspapers.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including Anglo American Paper, Anglo Coal Paper, Anglo Iron Paper, Anglo Steel Paper, Anglo Zinc Paper, Anglo Lead Paper, Anglo Copper Paper, Anglo Nickel Paper, Anglo Platinum Paper, Anglo Silver Paper, Anglo Uranium Paper, Anglo Gold Paper, Anglo Iron Ore Paper.

PROPERTY

Table of property stocks including Anglo American Property, Anglo Coal Property, Anglo Iron Property, Anglo Steel Property, Anglo Zinc Property, Anglo Lead Property, Anglo Copper Property, Anglo Nickel Property, Anglo Platinum Property, Anglo Silver Property, Anglo Uranium Property, Anglo Gold Property, Anglo Iron Ore Property.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including Anglo American Trusts, Anglo Coal Trusts, Anglo Iron Trusts, Anglo Steel Trusts, Anglo Zinc Trusts, Anglo Lead Trusts, Anglo Copper Trusts, Anglo Nickel Trusts, Anglo Platinum Trusts, Anglo Silver Trusts, Anglo Uranium Trusts, Anglo Gold Trusts, Anglo Iron Ore Trusts.

SHIPBUILDERS, REPAIRERS

SHIPPING

Table of shipbuilders and repairers stocks including Anglo American Shipbuilders, Anglo Coal Shipbuilders, Anglo Iron Shipbuilders, Anglo Steel Shipbuilders, Anglo Zinc Shipbuilders, Anglo Lead Shipbuilders, Anglo Copper Shipbuilders, Anglo Nickel Shipbuilders, Anglo Platinum Shipbuilders, Anglo Silver Shipbuilders, Anglo Uranium Shipbuilders, Anglo Gold Shipbuilders, Anglo Iron Ore Shipbuilders.

SHOES AND LEATHER

Table of shoes and leather stocks including Anglo American Shoes and Leather, Anglo Coal Shoes and Leather, Anglo Iron Shoes and Leather, Anglo Steel Shoes and Leather, Anglo Zinc Shoes and Leather, Anglo Lead Shoes and Leather, Anglo Copper Shoes and Leather, Anglo Nickel Shoes and Leather, Anglo Platinum Shoes and Leather, Anglo Silver Shoes and Leather, Anglo Uranium Shoes and Leather, Anglo Gold Shoes and Leather, Anglo Iron Ore Shoes and Leather.

SOUTH AFRICANS

Table of South African stocks including Anglo American South Africans, Anglo Coal South Africans, Anglo Iron South Africans, Anglo Steel South Africans, Anglo Zinc South Africans, Anglo Lead South Africans, Anglo Copper South Africans, Anglo Nickel South Africans, Anglo Platinum South Africans, Anglo Silver South Africans, Anglo Uranium South Africans, Anglo Gold South Africans, Anglo Iron Ore South Africans.

TEXTILES

Table of textile stocks including Anglo American Textiles, Anglo Coal Textiles, Anglo Iron Textiles, Anglo Steel Textiles, Anglo Zinc Textiles, Anglo Lead Textiles, Anglo Copper Textiles, Anglo Nickel Textiles, Anglo Platinum Textiles, Anglo Silver Textiles, Anglo Uranium Textiles, Anglo Gold Textiles, Anglo Iron Ore Textiles.

TOBACCO

Table of tobacco stocks including Anglo American Tobacco, Anglo Coal Tobacco, Anglo Iron Tobacco, Anglo Steel Tobacco, Anglo Zinc Tobacco, Anglo Lead Tobacco, Anglo Copper Tobacco, Anglo Nickel Tobacco, Anglo Platinum Tobacco, Anglo Silver Tobacco, Anglo Uranium Tobacco, Anglo Gold Tobacco, Anglo Iron Ore Tobacco.

TRUSTS - Continued

FINANCE, LAND, ETC.

Table of finance, land, and other stocks including Anglo American Finance, Anglo Coal Finance, Anglo Iron Finance, Anglo Steel Finance, Anglo Zinc Finance, Anglo Lead Finance, Anglo Copper Finance, Anglo Nickel Finance, Anglo Platinum Finance, Anglo Silver Finance, Anglo Uranium Finance, Anglo Gold Finance, Anglo Iron Ore Finance.

OILS

Table of oil stocks including Anglo American Oils, Anglo Coal Oils, Anglo Iron Oils, Anglo Steel Oils, Anglo Zinc Oils, Anglo Lead Oils, Anglo Copper Oils, Anglo Nickel Oils, Anglo Platinum Oils, Anglo Silver Oils, Anglo Uranium Oils, Anglo Gold Oils, Anglo Iron Ore Oils.

RUBBERS AND SISALS

Table of rubber and sisal stocks including Anglo American Rubbers and Sisals, Anglo Coal Rubbers and Sisals, Anglo Iron Rubbers and Sisals, Anglo Steel Rubbers and Sisals, Anglo Zinc Rubbers and Sisals, Anglo Lead Rubbers and Sisals, Anglo Copper Rubbers and Sisals, Anglo Nickel Rubbers and Sisals, Anglo Platinum Rubbers and Sisals, Anglo Silver Rubbers and Sisals, Anglo Uranium Rubbers and Sisals, Anglo Gold Rubbers and Sisals, Anglo Iron Ore Rubbers and Sisals.

TEAS

Table of tea stocks including Anglo American Teas, Anglo Coal Teas, Anglo Iron Teas, Anglo Steel Teas, Anglo Zinc Teas, Anglo Lead Teas, Anglo Copper Teas, Anglo Nickel Teas, Anglo Platinum Teas, Anglo Silver Teas, Anglo Uranium Teas, Anglo Gold Teas, Anglo Iron Ore Teas.

INDIA AND BANGLADESH

Table of India and Bangladesh stocks including Anglo American India and Bangladesh, Anglo Coal India and Bangladesh, Anglo Iron India and Bangladesh, Anglo Steel India and Bangladesh, Anglo Zinc India and Bangladesh, Anglo Lead India and Bangladesh, Anglo Copper India and Bangladesh, Anglo Nickel India and Bangladesh, Anglo Platinum India and Bangladesh, Anglo Silver India and Bangladesh, Anglo Uranium India and Bangladesh, Anglo Gold India and Bangladesh, Anglo Iron Ore India and Bangladesh.

SRI LANKA

Table of Sri Lanka stocks including Anglo American Sri Lanka, Anglo Coal Sri Lanka, Anglo Iron Sri Lanka, Anglo Steel Sri Lanka, Anglo Zinc Sri Lanka, Anglo Lead Sri Lanka, Anglo Copper Sri Lanka, Anglo Nickel Sri Lanka, Anglo Platinum Sri Lanka, Anglo Silver Sri Lanka, Anglo Uranium Sri Lanka, Anglo Gold Sri Lanka, Anglo Iron Ore Sri Lanka.

AFRICA

Table of African stocks including Anglo American Africa, Anglo Coal Africa, Anglo Iron Africa, Anglo Steel Africa, Anglo Zinc Africa, Anglo Lead Africa, Anglo Copper Africa, Anglo Nickel Africa, Anglo Platinum Africa, Anglo Silver Africa, Anglo Uranium Africa, Anglo Gold Africa, Anglo Iron Ore Africa.

MINES

Table of mine stocks including Anglo American Mines, Anglo Coal Mines, Anglo Iron Mines, Anglo Steel Mines, Anglo Zinc Mines, Anglo Lead Mines, Anglo Copper Mines, Anglo Nickel Mines, Anglo Platinum Mines, Anglo Silver Mines, Anglo Uranium Mines, Anglo Gold Mines, Anglo Iron Ore Mines.

CENTRAL BAND

Table of central band stocks including Anglo American Central Band, Anglo Coal Central Band, Anglo Iron Central Band, Anglo Steel Central Band, Anglo Zinc Central Band, Anglo Lead Central Band, Anglo Copper Central Band, Anglo Nickel Central Band, Anglo Platinum Central Band, Anglo Silver Central Band, Anglo Uranium Central Band, Anglo Gold Central Band, Anglo Iron Ore Central Band.

EASTERN BAND

Table of eastern band stocks including Anglo American Eastern Band, Anglo Coal Eastern Band, Anglo Iron Eastern Band, Anglo Steel Eastern Band, Anglo Zinc Eastern Band, Anglo Lead Eastern Band, Anglo Copper Eastern Band, Anglo Nickel Eastern Band, Anglo Platinum Eastern Band, Anglo Silver Eastern Band, Anglo Uranium Eastern Band, Anglo Gold Eastern Band, Anglo Iron Ore Eastern Band.

TRUSTS - Continued

FINANCE, LAND, ETC.

Table of finance, land, and other stocks including Anglo American Finance, Anglo Coal Finance, Anglo Iron Finance, Anglo Steel Finance, Anglo Zinc Finance, Anglo Lead Finance, Anglo Copper Finance, Anglo Nickel Finance, Anglo Platinum Finance, Anglo Silver Finance, Anglo Uranium Finance, Anglo Gold Finance, Anglo Iron Ore Finance.

OILS

Table of oil stocks including Anglo American Oils, Anglo Coal Oils, Anglo Iron Oils, Anglo Steel Oils, Anglo Zinc Oils, Anglo Lead Oils, Anglo Copper Oils, Anglo Nickel Oils, Anglo Platinum Oils, Anglo Silver Oils, Anglo Uranium Oils, Anglo Gold Oils, Anglo Iron Ore Oils.

RUBBERS AND SISALS

Table of rubber and sisal stocks including Anglo American Rubbers and Sisals, Anglo Coal Rubbers and Sisals, Anglo Iron Rubbers and Sisals, Anglo Steel Rubbers and Sisals, Anglo Zinc Rubbers and Sisals, Anglo Lead Rubbers and Sisals, Anglo Copper Rubbers and Sisals, Anglo Nickel Rubbers and Sisals, Anglo Platinum Rubbers and Sisals, Anglo Silver Rubbers and Sisals, Anglo Uranium Rubbers and Sisals, Anglo Gold Rubbers and Sisals, Anglo Iron Ore Rubbers and Sisals.

TEAS

Table of tea stocks including Anglo American Teas, Anglo Coal Teas, Anglo Iron Teas, Anglo Steel Teas, Anglo Zinc Teas, Anglo Lead Teas, Anglo Copper Teas, Anglo Nickel Teas, Anglo Platinum Teas, Anglo Silver Teas, Anglo Uranium Teas, Anglo Gold Teas, Anglo Iron Ore Teas.

INDIA AND BANGLADESH

Table of India and Bangladesh stocks including Anglo American India and Bangladesh, Anglo Coal India and Bangladesh, Anglo Iron India and Bangladesh, Anglo Steel India and Bangladesh, Anglo Zinc India and Bangladesh, Anglo Lead India and Bangladesh, Anglo Copper India and Bangladesh, Anglo Nickel India and Bangladesh, Anglo Platinum India and Bangladesh, Anglo Silver India and Bangladesh, Anglo Uranium India and Bangladesh, Anglo Gold India and Bangladesh, Anglo Iron Ore India and Bangladesh.

SRI LANKA

Table of Sri Lanka stocks including Anglo American Sri Lanka, Anglo Coal Sri Lanka, Anglo Iron Sri Lanka, Anglo Steel Sri Lanka, Anglo Zinc Sri Lanka, Anglo Lead Sri Lanka, Anglo Copper Sri Lanka, Anglo Nickel Sri Lanka, Anglo Platinum Sri Lanka, Anglo Silver Sri Lanka, Anglo Uranium Sri Lanka, Anglo Gold Sri Lanka, Anglo Iron Ore Sri Lanka.

AFRICA

Table of African stocks including Anglo American Africa, Anglo Coal Africa, Anglo Iron Africa, Anglo Steel Africa, Anglo Zinc Africa, Anglo Lead Africa, Anglo Copper Africa, Anglo Nickel Africa, Anglo Platinum Africa, Anglo Silver Africa, Anglo Uranium Africa, Anglo Gold Africa, Anglo Iron Ore Africa.

MINES

Table of mine stocks including Anglo American Mines, Anglo Coal Mines, Anglo Iron Mines, Anglo Steel Mines, Anglo Zinc Mines, Anglo Lead Mines, Anglo Copper Mines, Anglo Nickel Mines, Anglo Platinum Mines, Anglo Silver Mines, Anglo Uranium Mines, Anglo Gold Mines, Anglo Iron Ore Mines.

CENTRAL BAND

Table of central band stocks including Anglo American Central Band, Anglo Coal Central Band, Anglo Iron Central Band, Anglo Steel Central Band, Anglo Zinc Central Band, Anglo Lead Central Band, Anglo Copper Central Band, Anglo Nickel Central Band, Anglo Platinum Central Band, Anglo Silver Central Band, Anglo Uranium Central Band, Anglo Gold Central Band, Anglo Iron Ore Central Band.

EASTERN BAND

Table of eastern band stocks including Anglo American Eastern Band, Anglo Coal Eastern Band, Anglo Iron Eastern Band, Anglo Steel Eastern Band, Anglo Zinc Eastern Band, Anglo Lead Eastern Band, Anglo Copper Eastern Band, Anglo Nickel Eastern Band, Anglo Platinum Eastern Band, Anglo Silver Eastern Band, Anglo Uranium Eastern Band, Anglo Gold Eastern Band, Anglo Iron Ore Eastern Band.

TRUSTS - Continued

FINANCE, LAND, ETC.

Table of finance, land, and other stocks including Anglo American Finance, Anglo Coal Finance, Anglo Iron Finance, Anglo Steel Finance, Anglo Zinc Finance, Anglo Lead Finance, Anglo Copper Finance, Anglo Nickel Finance, Anglo Platinum Finance, Anglo Silver Finance, Anglo Uranium Finance, Anglo Gold Finance, Anglo Iron Ore Finance.

OILS

Table of oil stocks including Anglo American Oils, Anglo Coal Oils, Anglo Iron Oils, Anglo Steel Oils, Anglo Zinc Oils, Anglo Lead Oils, Anglo Copper Oils, Anglo Nickel Oils, Anglo Platinum Oils, Anglo Silver Oils, Anglo Uranium Oils, Anglo Gold Oils, Anglo Iron Ore Oils.

RUBBERS AND SISALS

Table of rubber and sisal stocks including Anglo American Rubbers and Sisals, Anglo Coal Rubbers and Sisals, Anglo Iron Rubbers and Sisals, Anglo Steel Rubbers and Sisals, Anglo Zinc Rubbers and Sisals, Anglo Lead Rubbers and Sisals, Anglo Copper Rubbers and Sisals, Anglo Nickel Rubbers and Sisals, Anglo Platinum Rubbers and Sisals, Anglo Silver Rubbers and Sisals, Anglo Uranium Rubbers and Sisals, Anglo Gold Rubbers and Sisals, Anglo Iron Ore Rubbers and Sisals.

TEAS

Table of tea stocks including Anglo American Teas, Anglo Coal Teas, Anglo Iron Teas, Anglo Steel Teas, Anglo Zinc Teas, Anglo Lead Teas, Anglo Copper Teas, Anglo Nickel Teas, Anglo Platinum Teas, Anglo Silver Teas, Anglo Uranium Teas, Anglo Gold Teas, Anglo Iron Ore Teas.

INDIA AND BANGLADESH

Table of India and Bangladesh stocks including Anglo American India and Bangladesh, Anglo Coal India and Bangladesh, Anglo Iron India and Bangladesh, Anglo Steel India and Bangladesh, Anglo Zinc India and Bangladesh, Anglo Lead India and Bangladesh, Anglo Copper India and Bangladesh, Anglo Nickel India and Bangladesh, Anglo Platinum India and Bangladesh, Anglo Silver India and Bangladesh, Anglo Uranium India and Bangladesh, Anglo Gold India and Bangladesh, Anglo Iron Ore India and Bangladesh.

SRI LANKA

Table of Sri Lanka stocks including Anglo American Sri Lanka, Anglo Coal Sri Lanka, Anglo Iron Sri Lanka, Anglo Steel Sri Lanka, Anglo Zinc Sri Lanka, Anglo Lead Sri Lanka, Anglo Copper Sri Lanka, Anglo Nickel Sri Lanka, Anglo Platinum Sri Lanka, Anglo Silver Sri Lanka, Anglo Uranium Sri Lanka, Anglo Gold Sri Lanka, Anglo Iron Ore Sri Lanka.

AFRICA

Table of African stocks including Anglo American Africa, Anglo Coal Africa, Anglo Iron Africa, Anglo Steel Africa, Anglo Zinc Africa, Anglo Lead Africa, Anglo Copper Africa, Anglo Nickel Africa, Anglo Platinum Africa, Anglo Silver Africa, Anglo Uranium Africa, Anglo Gold Africa, Anglo Iron Ore Africa.

MINES

Table of mine stocks including Anglo American Mines, Anglo Coal Mines, Anglo Iron Mines, Anglo Steel Mines, Anglo Zinc Mines, Anglo Lead Mines, Anglo Copper Mines, Anglo Nickel Mines, Anglo Platinum Mines, Anglo Silver Mines, Anglo Uranium Mines, Anglo Gold Mines, Anglo Iron Ore Mines.

CENTRAL BAND

Table of central band stocks including Anglo American Central Band, Anglo Coal Central Band, Anglo Iron Central Band, Anglo Steel Central Band, Anglo Zinc Central Band, Anglo Lead Central Band, Anglo Copper Central Band, Anglo Nickel Central Band, Anglo Platinum Central Band, Anglo Silver Central Band, Anglo Uranium Central Band, Anglo Gold Central Band, Anglo Iron Ore Central Band.

EASTERN BAND

Table of eastern band stocks including Anglo American Eastern Band, Anglo Coal Eastern Band, Anglo Iron Eastern Band, Anglo Steel Eastern Band, Anglo Zinc Eastern Band, Anglo Lead Eastern Band, Anglo Copper Eastern Band, Anglo Nickel Eastern Band, Anglo Platinum Eastern Band, Anglo Silver Eastern Band, Anglo Uranium Eastern Band, Anglo Gold Eastern Band, Anglo Iron Ore Eastern Band.

NOTES

Notes section containing various financial notices, company announcements, and market commentary.



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# FINANCIAL TIMES

Saturday January 8 1977

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**MAN OF THE WEEK**

## Ready for battle

By DAVID WATT

IF ONE took a poll of British politicians today, not less than 90 per cent of them, I imagine, would say that Roy Jenkins had made a mistake in going to Brussels. Some would maintain that England—not to mention the Labour Party—needs him; others that even now he might have had long-term prospects of becoming Prime Minister; still others that the Presidency of the EEC Commission, which he took over this week, is a job on which his particular talents are wasted at this juncture in European affairs.

We can be certain that all these objections, and many others, have gone through Mr. Jenkins's own mind in the last few months for he is a man who has the kind of courage that must beat down terrible trepidation and doubt in every crisis before it carries his triumphantly through to a course of action he believes in. But now he is finally committed to Brussels I should be surprised if he has many regrets—at any rate at what he is leaving in Britain. If he had stayed in British politics he might, it is true, be Chancellor of the Exchequer by this time—but who, having once occupied that bed of nails, would want to lie down a second time when every barb is twice as sharp?

Again, he would certainly be a power in the Cabinet—but he has never really got on with



ROY JENKINS  
"Exhilarated... daunted"

Mr. Callaghan since the mid-60s, and he has become increasingly disenchanted with the Labour Party, as it has excluded more and more of his particular brand of Fabian social democracy.

As a matter of prediction he probably does not give the Callaghan government more than a few months of life anyway; and though he has never said so in public, many of his friends believe that that he now pins his hopes for Britain on a realignment of the party system. His hopes for himself, if any, very likely do not have any clear shape beyond the next four or five years.

**Detached**

Whether he takes an equally detached view of the possibilities inherent in the Presidency of the Commission, it is hard to say. In theory, the pitfalls before him are obvious enough. If he takes up an unobtrusive administrative role within the EEC like his predecessor, he will certainly never get the show back on the road. But if he takes a grand political stance he is likely to get snubbed all round by the politicians of the Nine who are in no mood for supranational initiatives.

In practice one can make out the case that Mr. Jenkins will either be pushed into the less adventurous line or will adopt it before anyone has time to slap him down. He has, as Richard Crossman observed in his diaries, a strong streak of Welsh cunning and moreover having taken the job in the first place because he felt he had to get out of the frustrations of Westminster, he may have fairly minimal expectations.

But this prediction would leave out of account both his romanticism and his talents. Like Mr. Edward Heath, Mr. Jenkins actually believes in the EEC and he has a strong sense of its destiny—and his own. All this will turn him to the second, riskier course; and though the odds are against him he has a good deal going for him as well. He has been in eclipse long enough perhaps, for the world to have forgotten just how formidable and complete a politician he is when he exerts himself. The intellect, the ability and his eloquence have all rusted a little without a cause in which to harness them. Europe, to Mr. Jenkins, is such a cause, and there is every prospect that he will do battle.

## Carter unveils his \$30bn. package

By JUREK MARTIN, U.S. EDITOR

WASHINGTON, Jan. 7.

MR. JIMMY CARTER, President-elect, today unveiled a two-year \$30bn. package intended to stimulate the economy.

His announcement came after a meeting with Congressional leaders who immediately gave it their endorsement and promised to get the necessary legislative wheels moving as soon as possible. According to Mr. Carter, just less than \$13bn. of the package will be applied this fiscal year and a similar amount next year. The \$13bn.-a-year level is more or less what had been predicted, although the extension into a second year comes as something of a surprise.

The package, as expected, consists of a dilution of tax relief and increased Federal

spending on programmes designed to ease unemployment, standing at 8.1 per cent. Mr. Carter's proposals were given only in broad outline, but principal features include a combined tax rebate and temporary, higher social security benefits, worth between \$7bn. and \$11bn.

**Public works**  
A drastic simplification of the tax code, which would give \$4bn. in relief to lower and middle-income Americans, is planned.

Corporations will receive the benefit of a \$2bn. tax cut, achieved through reductions in payroll taxes.

The present \$2bn. public works jobs programme will be expanded by a further \$4bn. and an extra \$3bn. to \$8bn. will

be spent in the private sector on various programmes in high unemployment areas.

Mr. Carter said that he believed his package would create about 800,000 extra jobs and would have the effect of reducing unemployment by between 0.75 per cent, and a full 1 per cent, within a year.

The package was necessary because the economy had been very stagnant.

Mr. Charles Schultz, who will be the chairman of the Council of Economic Advisers, estimated that the budgetary deficit next year would be between \$72bn. and \$76bn. minus some returns which could be expected from a higher level of economic activity.

Mr. Carter said that for the current fiscal year, the deficit would be about \$60bn.

## Setback for Leyland as car imports soar to new high

By TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITISH LEYLAND suffered another serious setback in the British car market last month as imports soared to an all-time high of 46 per cent.

The figures, which show Ford recapturing market leadership, underline the deep disruption caused by Leyland's production by the prolonged labour dispute at Rothery Omsa, one of its principal component suppliers.

These production problems at Leyland are known to be causing anxiety to the Government and have led to a scaling-down of the company's profits forecast for last year to below £100m.

Ministers will have been disturbed by the sharp rise in import sales last month, which were 15 per cent. above the same month last year and were well ahead of the previous high of 43.5 per cent, recorded in September. Imports have been on a strongly rising trend in the second half of 1976.

Although the British motor industry has said in the past that imports of more than about 30 per cent would be intolerable, it is now difficult to see how they can be brought down to that level next year.

New products from Ford and Chrysler probably will help but a fresh factor in the equation is the large number of cars being

brought into the country by Ford, Chrysler and Vauxhall from their associate companies on the Continent. Ford, for example, was the second largest importer last month, bringing in 4,127 cars (6.76 per cent.), while the three companies combined accounted for imports of 6,956 cars (11.4 per cent.).

On the brighter side for Leyland the car market as a whole last month was a substantial 15 per cent. up on December, 1975, and for the whole year has risen by 7.7 per cent. to 1,285,583 units. These are the best figures since the oil crisis early of 1973.

For the year as a whole, Leyland managed to retain the lead with sales of 352,679 (27.5 per cent.) against Ford's 324,354 (25.2 per cent.). Vauxhall showed a substantial recovery in its performance last year, with sales of 114,594 against 87,576.

Datsun once again was the leading importer, lifting its sales from 64,011 last year to 88,583, despite the self-imposed limitation on Japanese sales in this country. Renault was second in the importer table. Volkswagen, suffering from the unfavourable exchange terms for the Deutschmark, was fourth.

U.K. CAR REGISTRATIONS				
	1976	%	December %	
Leyland	352,679	27.5	14,383	23.6
Ford	324,354	25.2	15,127	24.8
Vauxhall	114,594	8.9	6,471	10.6
Chrysler	87,905	6.4	3,669	6.0
Datsun	68,853	5.4	2,666	4.4
Renault	56,855	4.4	3,205	5.3
Fiat	48,595	3.8	4,179	6.9
VW/Audi	46,502	3.6	1,816	3.0
Others	188,246	14.6	9,482	15.4
Total	1,285,583	100.0	61,000	100.0

Source: S.M.A.T.

## Soviet Union extends tests on supersonic airliner

By DAVID SATTER

MOSCOW, Jan. 7.

THE SOVIET UNION'S TU-144 supersonic airliner, which was to have started passenger service in the second half of last year, will continue to be tested for the whole of this year with no prospect of regular passenger services getting under way.

This is revealed in a report by Mr. Boris Bugayev, the Soviet Minister of Civil Aviation, in the Soviet weekly, *Nedelnya*. Mr. Bugayev said the aircraft was undergoing "reinforcing work."

His report on the development of new Soviet aircraft breaks a long official silence on the TU-144.

Twice weekly TU-144 mail and cargo flights between Moscow and the central Asian city of Alma Ata started in December 1975, four weeks before the first scheduled flights of the Concorde, which they were apparently intended to upstage. Since then there have been problems with the TU-144 variously described as excessive fuel consumption, problems with engine alignment and wing-design, and a vibration of the aircraft, which were once displayed prominently at Moscow's Domodedovo Airport, have recently been seen infrequently, leading to speculation that even the existing non-passenger flight schedule may have been changed.

Mr. Bugayev's report indicates that the development of the

TU-144 is continuing but does not make clear when the plane can be expected to start passenger service.

In a report in the November 29 issue of the Government newspaper *Izvestia* describing new passenger aircraft to be introduced during the 1976 to 1980 period, Mr. Bugayev did not mention the TU-144. He did refer to the 350-passenger Ilyushin-96 Airbus, which was recently successfully test-flown, and the Yak-42 medium-range 120-passenger plane. Both are still being tested.

The Soviets last month signed a \$10m. contract with Lucas Aerospace for the purchase of an electronic fuel-injection system for the TU-144. This would improve the plane's fuel efficiency.

The Lucas contract is taken to be an indication that although work is continuing on the TU-144, it will be some time before it can be introduced into regular passenger service.

The final version of the 1976-1980 Five-Year Plan calls for the introduction of several new types of aircraft.

## GEC shares fall 12p

By MARGARET REID

SHARES of GEC lost some of their recent gains yesterday after the unveiling of the novel capital re-organisation scheme under which shareholders will receive a 35 per cent. floating rate capital notes for each share.

The price, which had risen 33p since plans for a reconstruction were announced on December 8, closed 12p down at 168p last night. There was some disappointment that there will be no special increase in the share dividend itself, as distinct from the issue of the loan notes.

Stock Exchange dealings in the notes—the first of their kind to be denominated in sterling—will begin on March 14, assuming that shareholders approve the scheme at a special meeting on January 31.

## Be tough over fishing limits, says Tory MP

BRITAIN should take off the kid gloves in negotiations over fishing limits, Mr. Teddy Taylor, Shadow Scottish Secretary, said yesterday.

The fishing industry was put in a desperately serious situation by the removal of quotas from January 1.

"In a relatively short time, there could be a danger that the fish will be fished out of the sea," Mr. Taylor said.

"The time for kid glove diplomacy has come to an end," The Conservatives would be

pressing the Government to take a tougher line with the EEC on fishing limits. Since the removal of quotas there had been "massive fishing" by our own fishermen and by foreigners.

The results could be catastrophic. "If we fail to get anything done, the British Government could pass a law declaring our own limits."

It may be that this would be helpful to the EEC. But if you want to gain respect in the EEC you have to act in the toughest possible way to protect your interests."

## Nuclear

underwriting capacity would have to be created in Britain.

Adrian Hamilton writes: The problem of performance bonds is now attracting the attention of a number of Government-inspired committees, including a sub-committee of the Rail Committee for finance set up by the National Economic Development Committee.

The National Enterprise Board has also made its own attempts, through partnership with GEC and others, to provide this financial backing in exchange for an equity interest.

So far, however, there has been no solution to the problem of finding guarantees for performance without taking too much of the potential profit from the companies themselves or providing a virtual Government subsidy at high risk.

## Jenkins promises 'European' presidency

By Guy de Jonquieres

BRUSSELS, Jan. 7. MR. ROY JENKINS, with agreement on the composition of the new EEC Commission finally reached, promised early today to put his long experience as a professional politician to work as to become "the European President," not a British President "of the Commission."

He was able to announce after a hour's of intensive overnight negotiations that he and his 12 colleagues had decided unanimously on the division of the responsibilities which they will hold over the four-year life of the new commission, which held its first formal meeting yesterday.

The titular responsibility for external affairs has been awarded to a German member, Herr Wilhelm Haferkamp.

Probably the main innovation of Mr. Jenkins's presidency is that other commissioners will be free to play a bigger role in dealing with the international aspects of their portfolios than in the past.

For instance, Mr. Finn Olav Gundelach, the Dane who has moved from responsibility for internal market to the key agriculture post, will continue his development of the new EEC policy, notably in negotiations with non-EEC countries, such as Iceland, on fisheries agreements.

M. Francois Xavier Ortoli, the outgoing Commission president, has been given responsibility for another weighty job, economic and financial affairs. Britain's second commissioner, Mr. Christopher Tugendhat, former Conservative MP, has been assigned the task of looking after the EEC budget, financial controls and institutions, personnel and administration.

Though Mr. Tugendhat's duties are not considered major, Mr. Jenkins is expected to rely on him quite heavily to keep a close eye on the detail of EEC finances, which can often play an important role in formulation of policy.

Mr. Jenkins in addition to his main function as "first among equals," has taken under his wing the Press and information services of the Commission.

He laid special emphasis on the need to respect the Commission's public image more effectively, and promised to hold frequent Press conferences himself.

Internally, the Commission's structure has been modified in several ways to improve efficiency, notably by grouping under one Commissioner responsibility for co-ordinating the EEC's funds.

A special post has been created to handle applications for EEC membership.

Still to be settled is the composition of the directorates general, the Commission's operating divisions, and the appointment of the department heads to run them.

First view of the Jenkins style, Page 11

## Meriden calls in Lever

By Peter Cartwright and Rupert Cornwell

MR. HAROLD LEVER, Chancellor of the Duchy of Lancaster, will be called in by the Meriden Motorcycle Co-operative as part of a last-ditch effort to persuade the Industry Department to change its mind and inject more rescue funds.

The Meriden team yesterday called off a planned meeting at the Industry Department in which they hope will involve Mr. Lever and Mr. Jones.

Arguing for the co-operative will be Mr. Geoffrey Robinson, Labour MP for Coventry North-West, former head of Jaguar Cars, and one of the architects of original scheme under which Meriden secured almost £5m. in Government assistance.

Mr. Robinson said yesterday that the co-operative would carry on a strong fight for survival and he has behind him the support of several Labour Left-wingers. Mr. Denis Johnson, the co-operative chairman, will also attend the talks on Monday.

But the chances of success for Meriden look slim. The Department's move was approved by the Cabinet before Christmas, thus implying the acquiescence of Mr. Anthony Wedgwood Benn, the driving force behind the creation of co-operatives when he was Industry Secretary in 1974 and 1975.

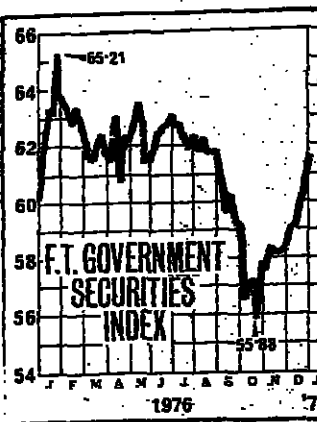
Meriden was one of three co-operative organisations which attracted support from the Government during Mr. Benn's spell at the Industry Department.

Of the other two, Scottish News Enterprises, which received £1.2m., has failed, while Kirby Manufacturing, and Engineering, which received £3.5m., is now making small profits.

## THE LEX COLUMN

# Floating off a new concept

Index fell 2.5 to 365.3



With money continuing to pour into the gilt-edged market, the long tap (Treasury 15 1/2 per cent 1996 "A") ran out at the market opened yesterday morning. Issued a week ago at 90, the stock closed at 101 1/2 and represents the bulk of the £500m. or so of gilts which the market reckons might have been sold this week.

As expected a cut in Minimum Lending Rate was followed by the appearance of a new short tap, £600m. Exchequer 12 1/2 per cent 1981 in the afternoon and at an issue price of 96 1/2 it seems to be broadly in line with the rest of the market. Free from the restraining influence of the Government Broker, longs bounded ahead and ended with rises of over 2 points: even War Loan managed a half point rise to 26 1/2.

With nearly three months to spare, the Government has now completed its funding requirements for the current financial year, and despite a marked reduction in the institutions' levels of liquidity, the market is still hungry for stock. Having moved from famine to feast, the authorities now face a dilemma exactly opposite to that which they had to tackle late last summer. Gilt purchases are forcing interest rates down faster than they would ideally like. And although the temptation must be to keep on meeting the market's seemingly insatiable appetite, the authorities have to weigh up how ferocious a money squeeze they are prepared to contemplate.

Already it looks as though the next set of money supply figures will show no growth, and possibly even a minus figure.

There had been strong rumours that the Government Broker would take advantage of the current climate to try out something new yesterday—in the shape of a variable coupon gilt-edged stock. This did not appear, however, and in fact it would have been a nonsense if it had. Such a stock may well represent a worthwhile addition to the GB's armoury, when there is a problem of excess liquidity in the private sector, and interest rates are generally expected to rise. But it would be no kind of experiment to bring one out at a time when everyone is betting on a fall in rates. The only impact would be to focus attention to an even greater extent on the fixed coupon stocks which are already available.

However, such an issue seems likely sooner or later, and GEC has now broken the ice by

using floating rate capital notes as an integral part of its proposed capital reconstruction. This is a new animal in the U.K. and to find anything like it in any quantity one has to turn to the Eurobond market. The first issue was for a state-owned Italian utility back in May 1970, and in the following four years \$0.5bn. similar issues for a handful of industrial companies and government agencies were launched. Since the summer of 1975, the market has mushroomed and almost \$2bn. of floating rate notes have been raised for banks. Since the bulk of their medium term lending is floating rate, such notes issues help them to match their commitments at favourable rates, and are a convenient way of building up their capital base.

But the people who buy such notes—often other banks or wealthy foreign investors—are unlikely to be terribly interested in the GEC experiment, and the same goes for the U.K. little long-term "zero" savings institutions. The life insurance companies want to be able to match their liabilities, the pension funds want to invest in longer term holdings, and for other institutions the rate will have to compete favourably with near-cash alternatives like three month Certificates of Deposit, since such notes are likely to be rather less marketable.

So companies which want to borrow money in this way (unlike GEC, which wants to give it back) have to face the fact that the potential market is likely to be fairly limited. The type of investor who puts money into local authority deposits or yearling bonds may find the notes attractive, how-

ever, and it could be an alternative to the sizeable floating rate society deposit. It is recalling that when GEC decided to issue \$550m. of floating rate notes in the domestic U.S. market in the summer of 1974, it came under heavy fire from the Federal Reserve—mainly because it was seen as a potential threat to the savings and loan associations, the U.S. equivalent of building societies.

## White Child & Boney

A number of important issues have been raised by the National Enterprise Board plan to inject £1.5m. of equity into White Child and Boney, which would give the enlarged company... The board has already put money into a clutch of half a dozen other companies from its London office, but this is the first move by one of its regional offices.

Unlike some of the other WCB is a healthy expanding company, but it hardly figures on the commanding heights of the economy. It has managed itself with something to spare in recent years, and there is no question of its being unable to raise money from other sources. To help fulfil its expansion plans, however, it has been able to persuade the NEB to put money up on the market, with a view to the market would be contemplated—with no thought on the share price.

Moreover the NEB has stepped into extremely delicate ground. As a legacy of an unsuccessful bid attempt two years ago, Guinness has a holding of nearly 44 per cent in the company. It has no Board representation, and there can be no little long-term "zero" investment of this kind, significantly, perhaps, it has been buying shares in a money way in recent months. It now faces a dilemma which needs to be approved by a majority of over 50 per cent. It risks the accusation of a deal against other shareholders' interests. If it accepts the deal, its holding will be diluted down to under 35 per cent, in which case it would have to consider either selling the lot or trying another bid. In the circumstances, it would have been sensible for the NEB to have talked things over with Guinness before announcing the deal: as it is, it could find itself with a squabble on its hands.

## Weather

**U.K. TO-DAY**  
MOSTLY dry, but scattered showers in Scotland and N. Ireland.  
S.E. Cent., S. England, Midlands, Channel Isles  
Dry. Bright intervals. Max. 6C (43F).  
W. England, Wales, Lakes, Isle of Man  
Bright intervals. E. Anglia, E. N.E. England  
Mostly dry. Bright intervals. Winds N.W., strong at times on coasts and hills. Max. 6C (43F).  
Borders, Edinburgh, Glasgow, Dundee, Aberdeen, N.E. W. Scotland, Cent. Highlands, Moray  
Firth, Argyll, N. Ireland  
Scattered showers, wintry over hills. Rather cloudy. Winds N.W., strong on exposed coasts and hills. Max. 7C (45F).  
Orkney, Shetland  
Scattered showers. Max. 5C (41F).  
Outlook: Colder, wintry in places.

BUSINESS CENTRES			
	Yday	Mid-4p	Yday
Abu Dhabi	100.00	100.00	100.00
Amsterdam	100.00	100.00	100.00
Antwerp	100.00	100.00	100.00
Barcelona	100.00	100.00	100.00
Bombay	100.00	100.00	100.00
Brexit	100.00	100.00	100.00
Brussels	100.00	100.00	100.00
Geneva	100.00	100.00	100.00
Hong Kong	100.00	100.00	100.00
London	100.00	100.00	100.00
Lyons	100.00	100.00	100.00
Madrid	100.00	100.00	100.00
Manila	100.00	100.00	100.00
Mexico	100.00	100.00	100.00
Montreal	100.00	100.00	100.00
Moscow	100.00	100.00	100.00
Munich	100.00	100.00	100.00
New York	100.00	100.00	100.00
Osaka	100.00	100.00	100.00
Paris	100.00	100.00	100.00
Porto	100.00	100.00	100.00
Rangoon	100.00	100.00	100.00
Rio de Janeiro	100.00	100.00	100.00
Rome	100.00	100.00	100.00
Singapore	100.00	100.00	100.00
Stockholm	100.00	100.00	100.00
Sydney	100.00	100.00	100.00
Taipei	100.00	100.00	100.00
Tokyo	100.00	100.00	100.00
Toronto	100.00	100.00	100.00
Vienna	100.00	100.00	100.00
Warsaw	100.00	100.00	100.00
Zurich	100.00	100.00	100.00

HOLIDAY RESORTS			
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